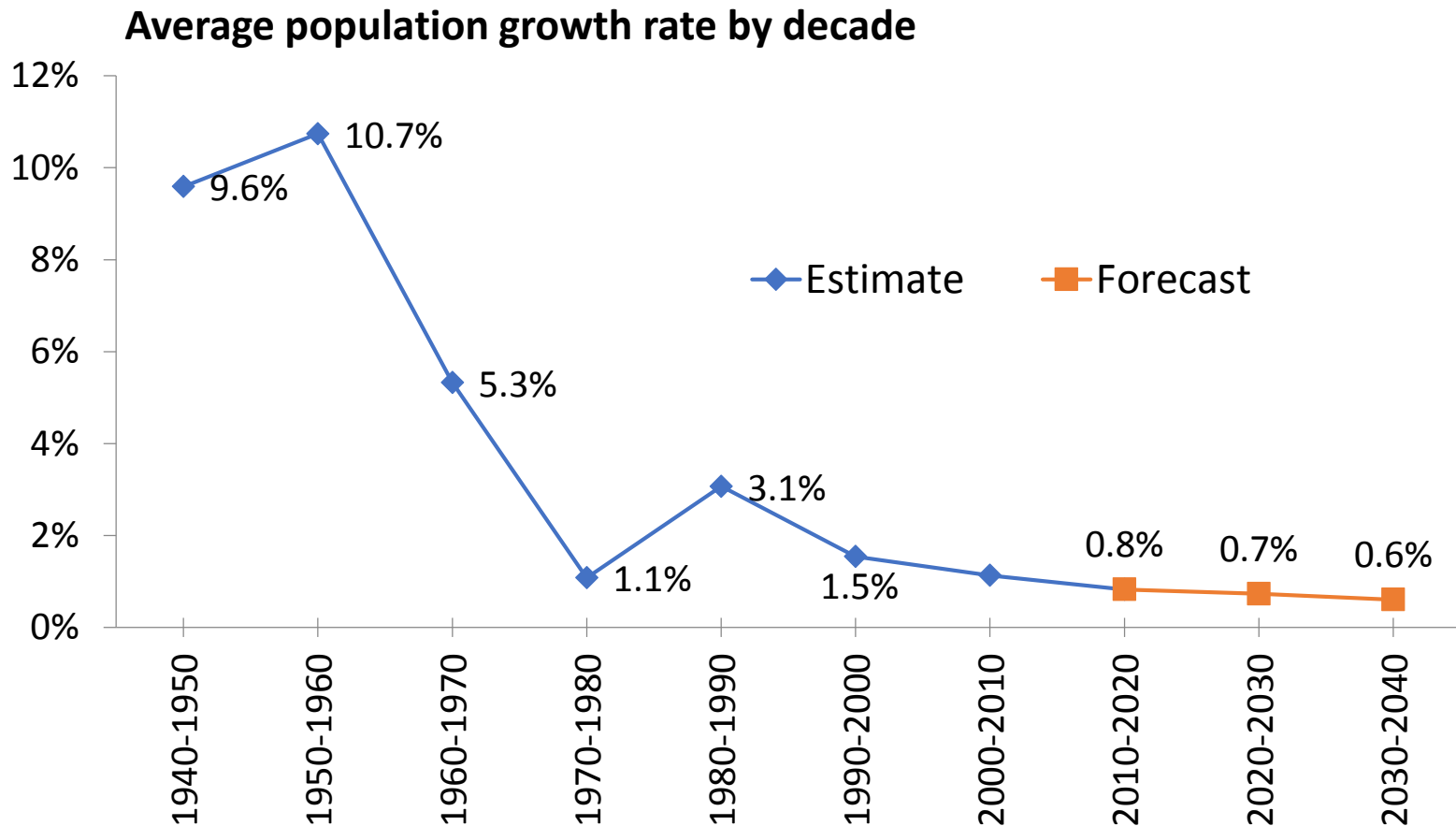


Housing supply

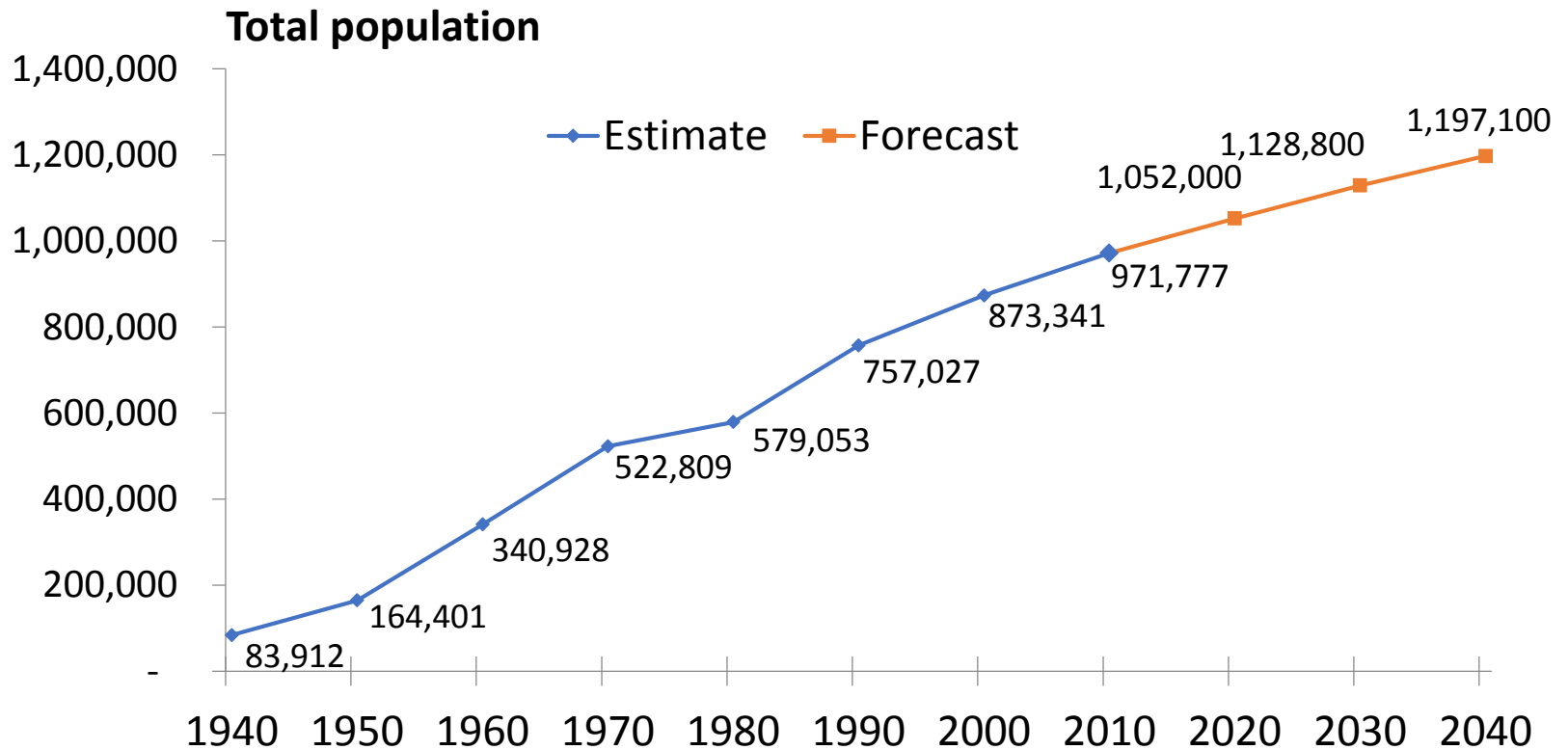
Population/job growth forecasts and demand for housing

We're growing more slowly -



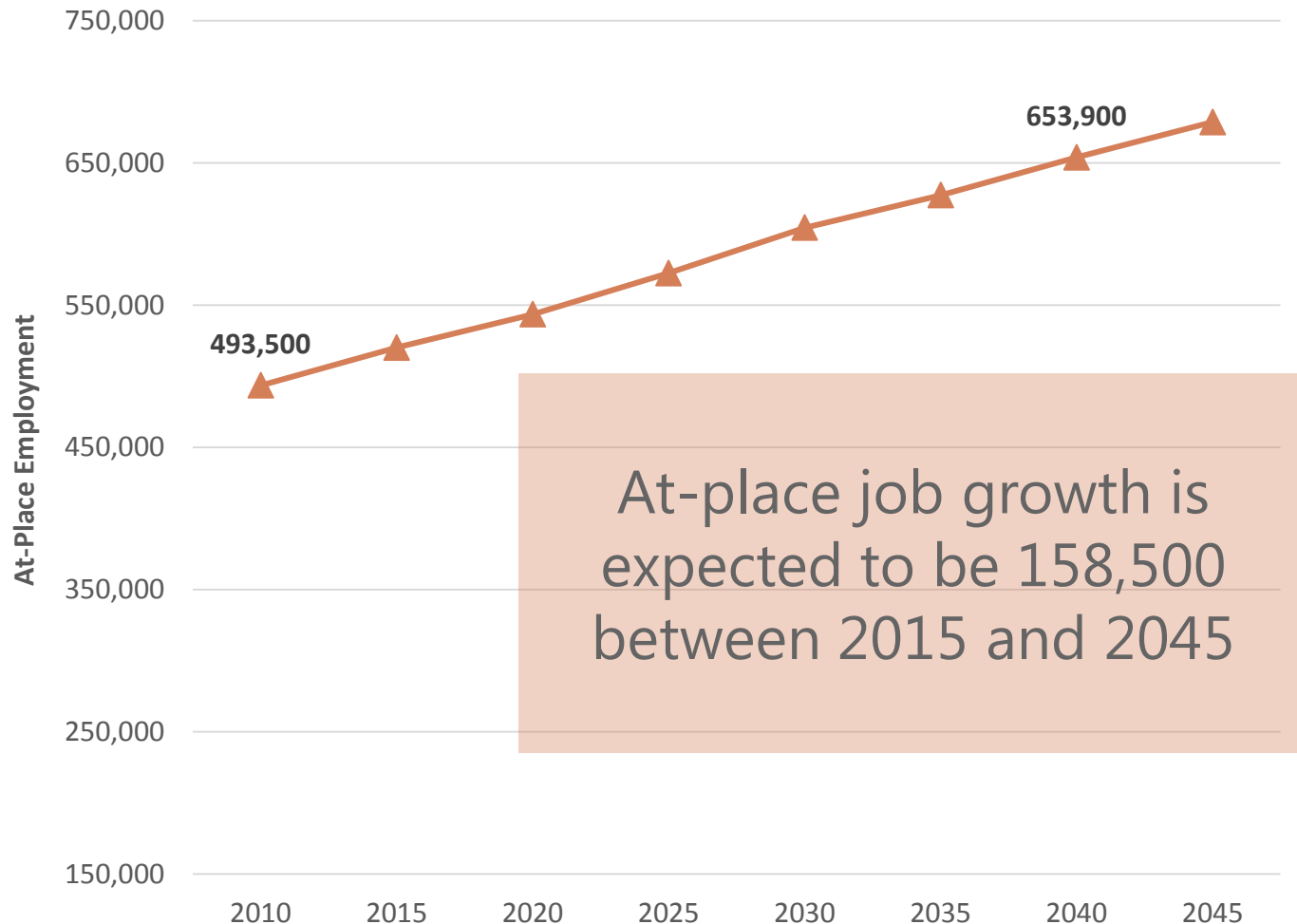
Source: 1940-2010 Decennial Census, U.S. Census Bureau; Metropolitan Washington Council of Government Forecast Round 9.0, Research and Special Projects

- but still growing.



Source: 1940-2010 Decennial Census, U.S. Census Bureau; Metropolitan Washington Council of Government Forecast Round 9.0, Research and Special Projects

Job growth is likely to be steady but unspectacular -



Source: Metropolitan Washington Council of Government Forecast Round 9.0

- but growth in new jobs plus retirements from “old” jobs drive significant housing demand.

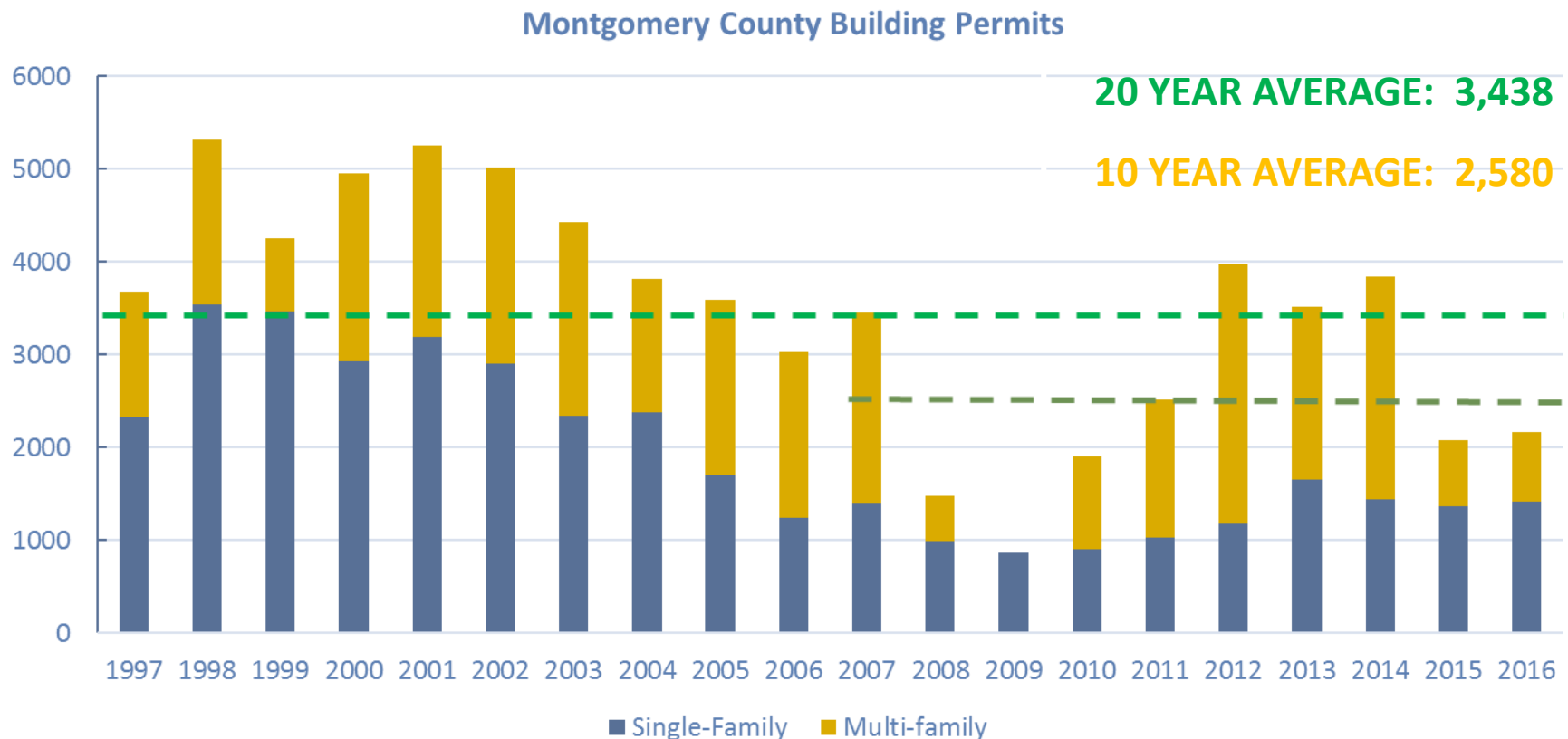
	2011-2023
	New Households
District of Columbia	104,370
Suburban Maryland <i>MONTGOMERY</i>	151,220 <i>70,810</i>
Northern Virginia	214,260
Greater Washington Region	469,850

Note: Assumes all workers are housed in the jurisdiction in which they work, regardless of preferences or availability.

Source: “The Greater Washington Region’s Future Housing Needs: 2023”,
GMU Center for Regional Analysis (6/2015)

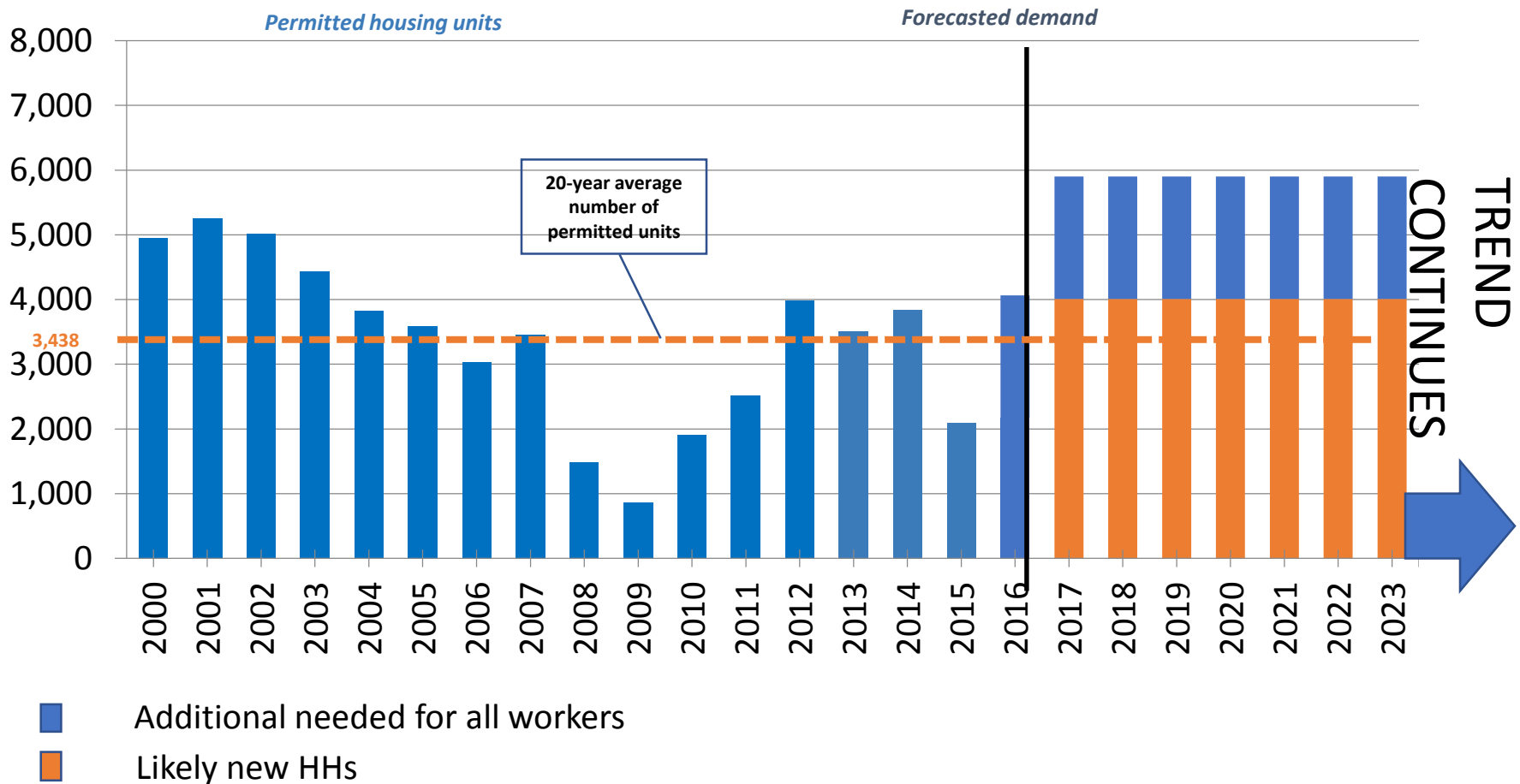
New residential development is anemic -

New Housing Units Reported in Building Permits



Source: US Census Bureau, Building Permit Estimates

- so supply is nowhere near enough to meet demand.

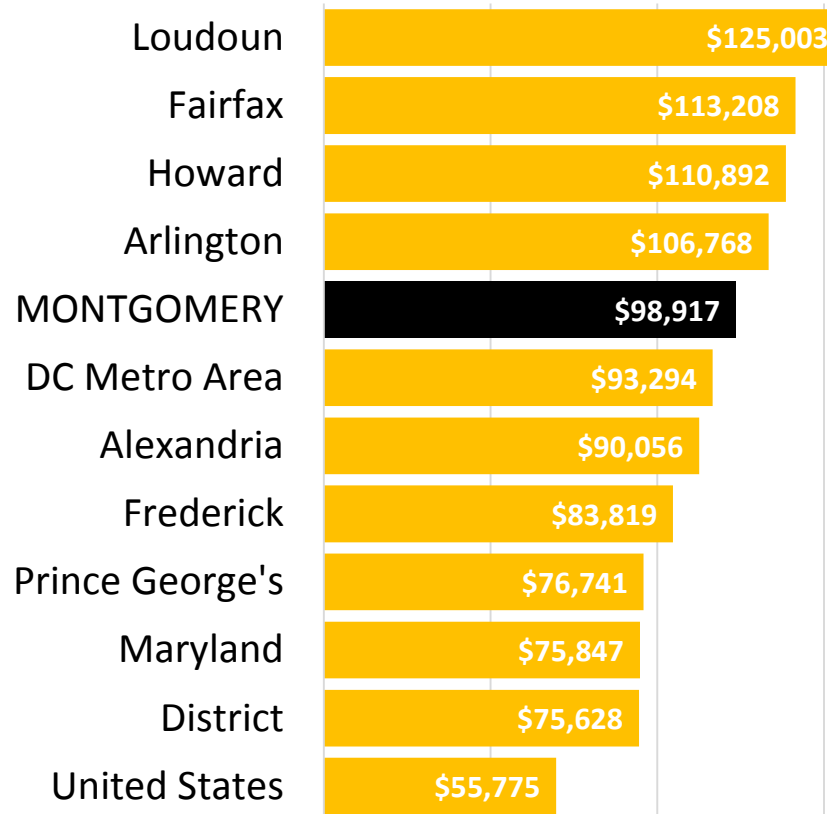


Weak wage growth and economic inequality

Demographic and economic change

MoCo remains among the most affluent jurisdictions in the country -

2015 Median Household Income



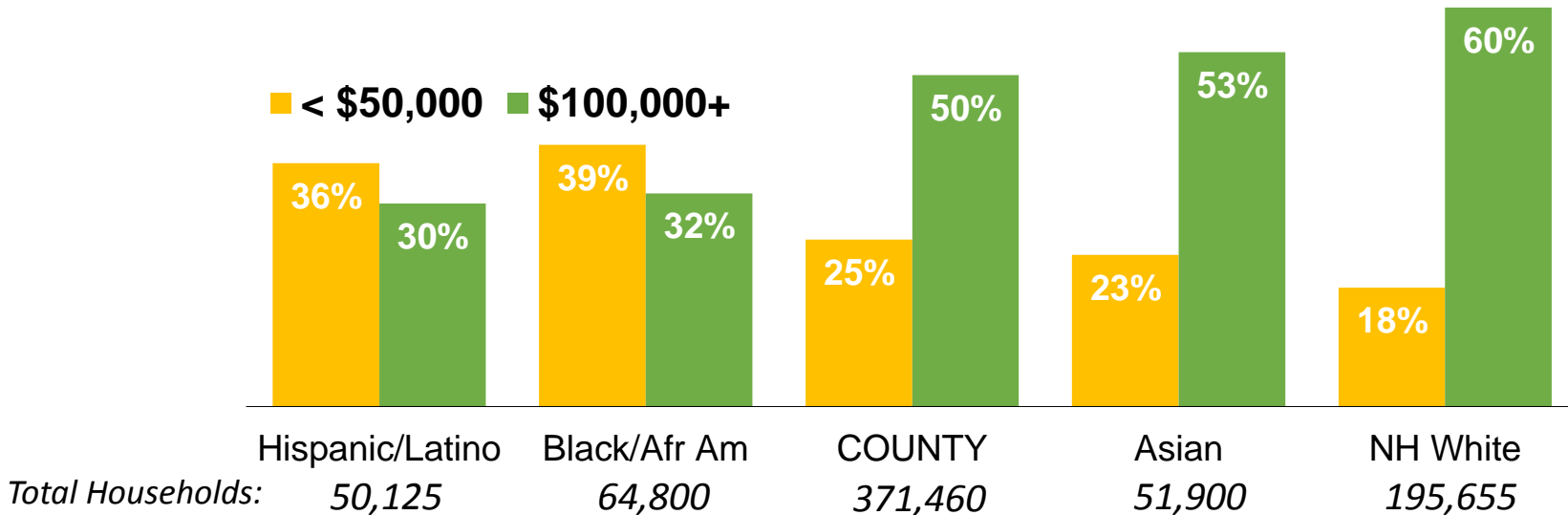
Source: 2015 American Community Survey, 1-year estimate, U.S. Census Bureau; "Income Inequality in U.S. (2013)", Economic Policy Institute, June 2016.

- but income remains unequally distributed.

2015 MEDIAN HOUSEHOLD INCOME

White, not Hispanic	\$122,191	+/-3,322
Asian	\$105,487	+/-8,056
COUNTY	\$98,817	+/-2,749
Black or African Am.	\$63,862	+/-2,969
Hispanic	\$68,126	+/-5,039

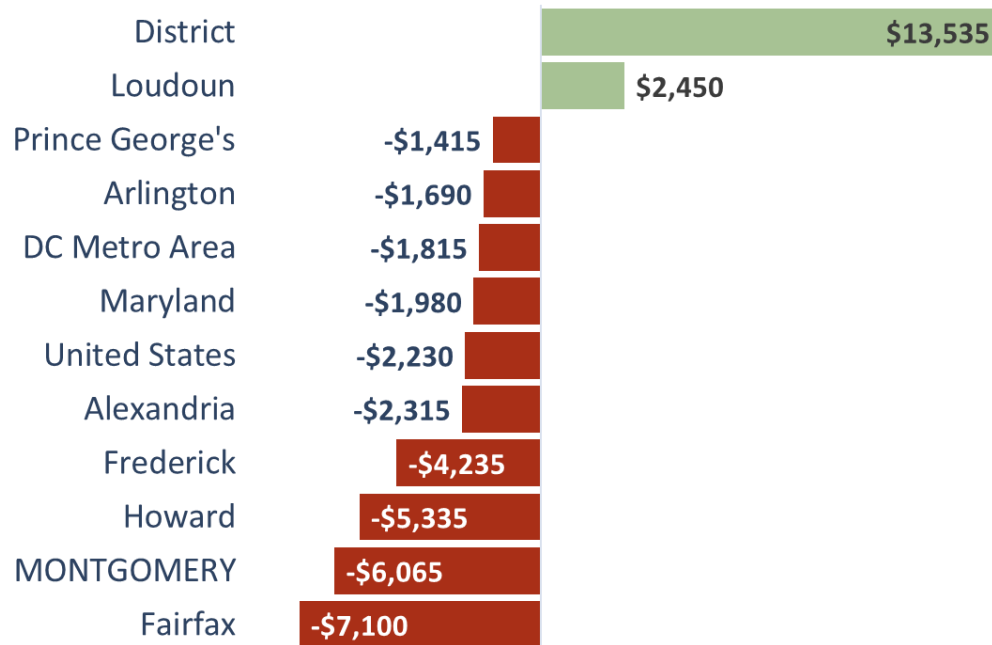
1 in 4 County Households has Income Less than \$50,000



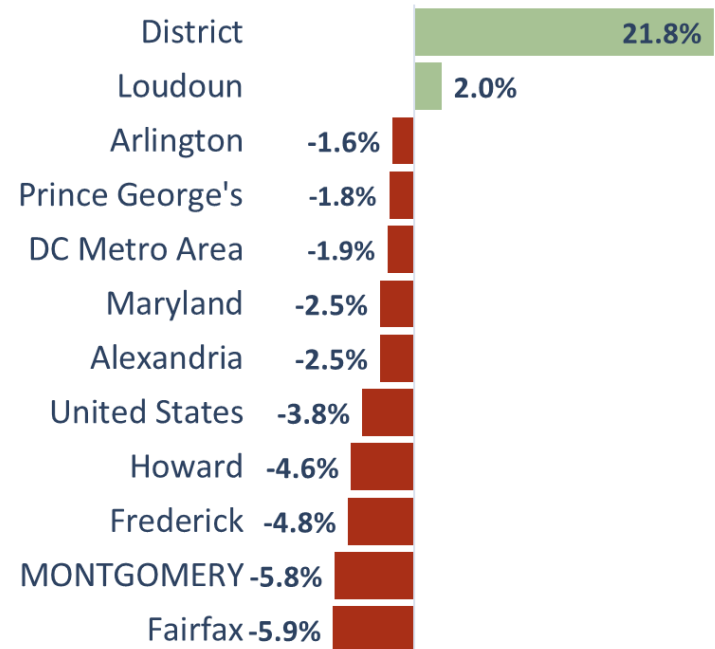
Median incomes remain depressed in the DMV -

Great Recession Dampened Income Growth

Change in household income 2007- 2015

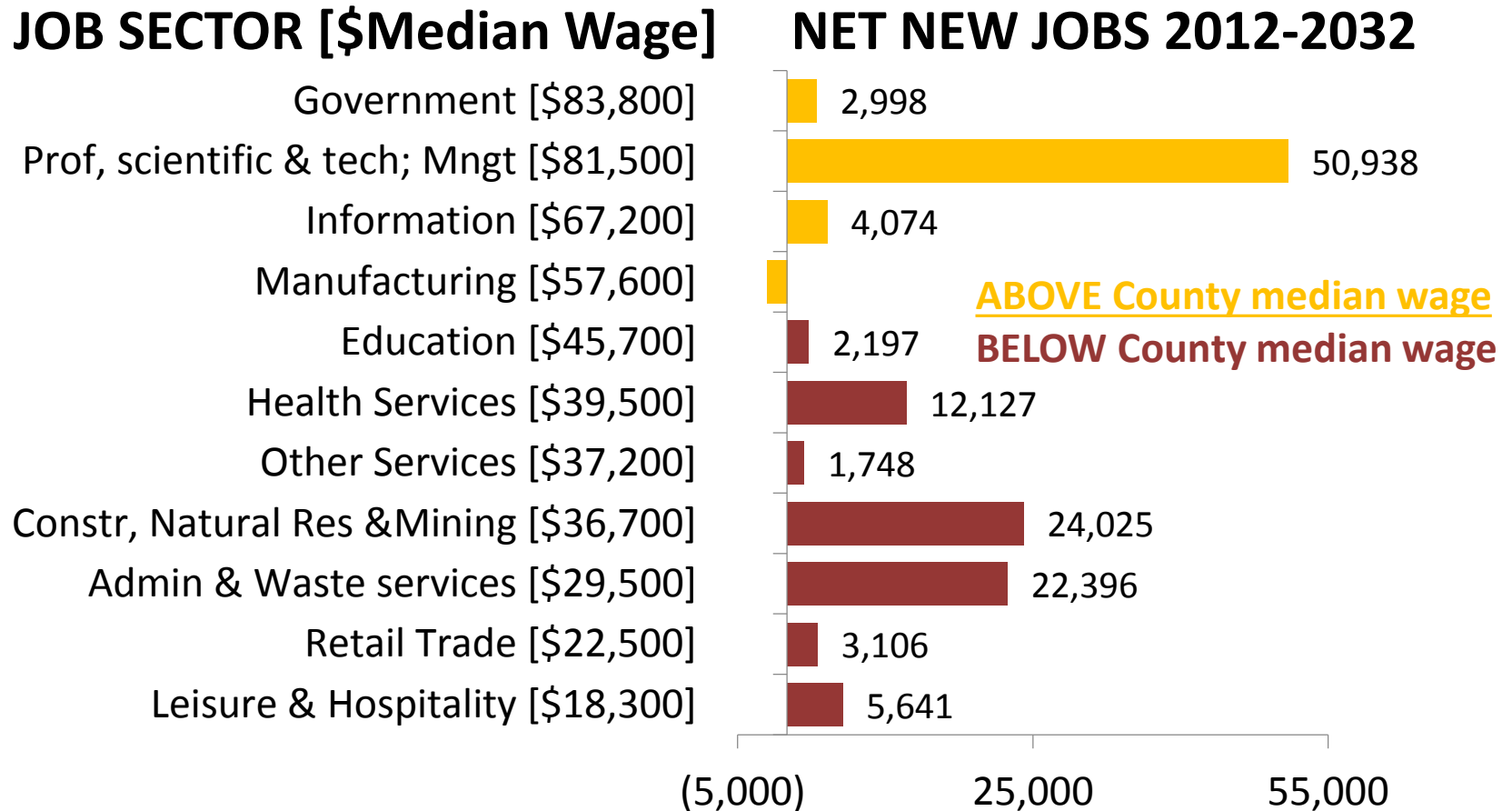


Percent change in household income 2007-2015

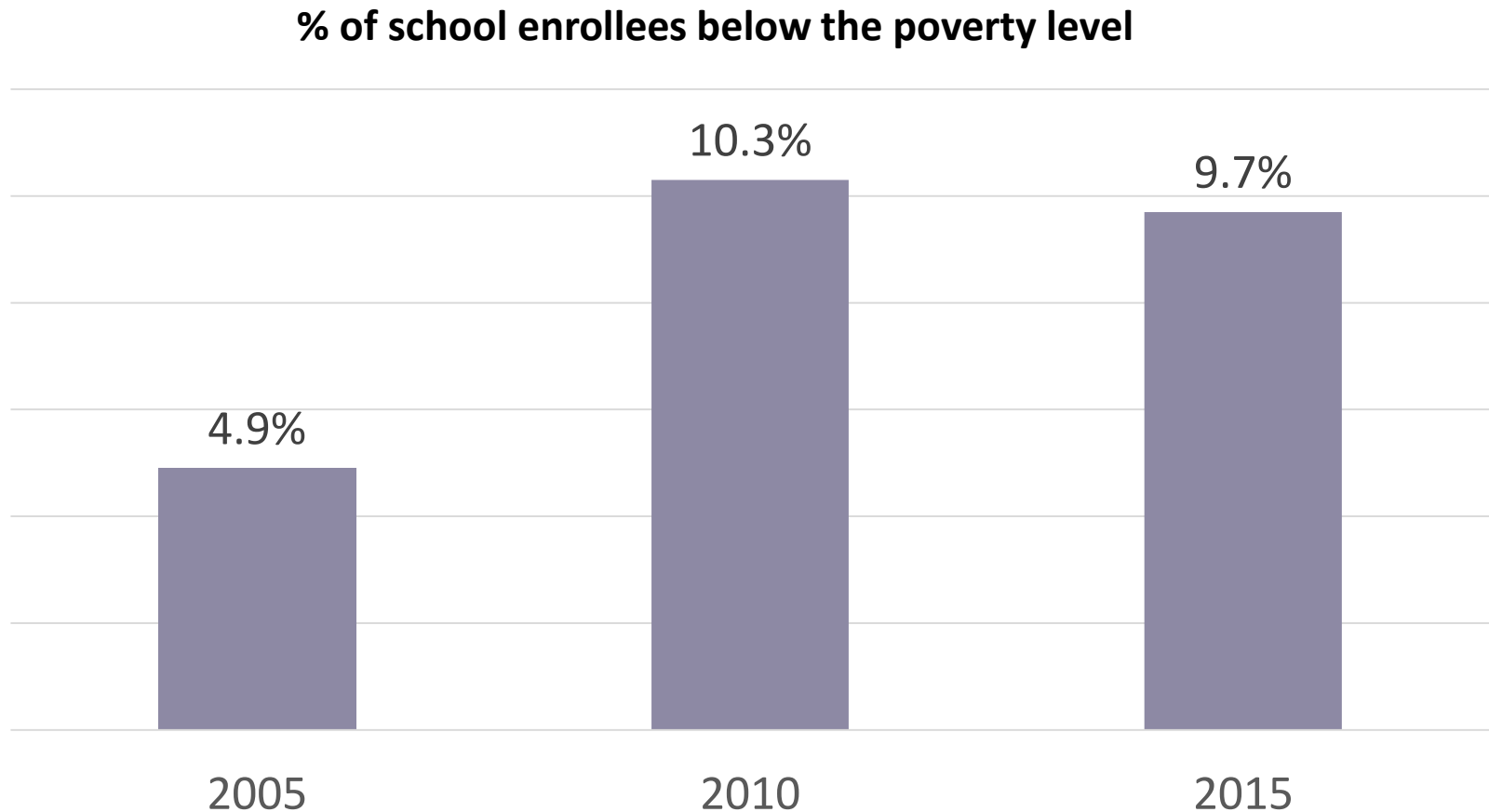


Constant 2015 dollars

- because over half of the forecasted jobs pay less than the median County wage.

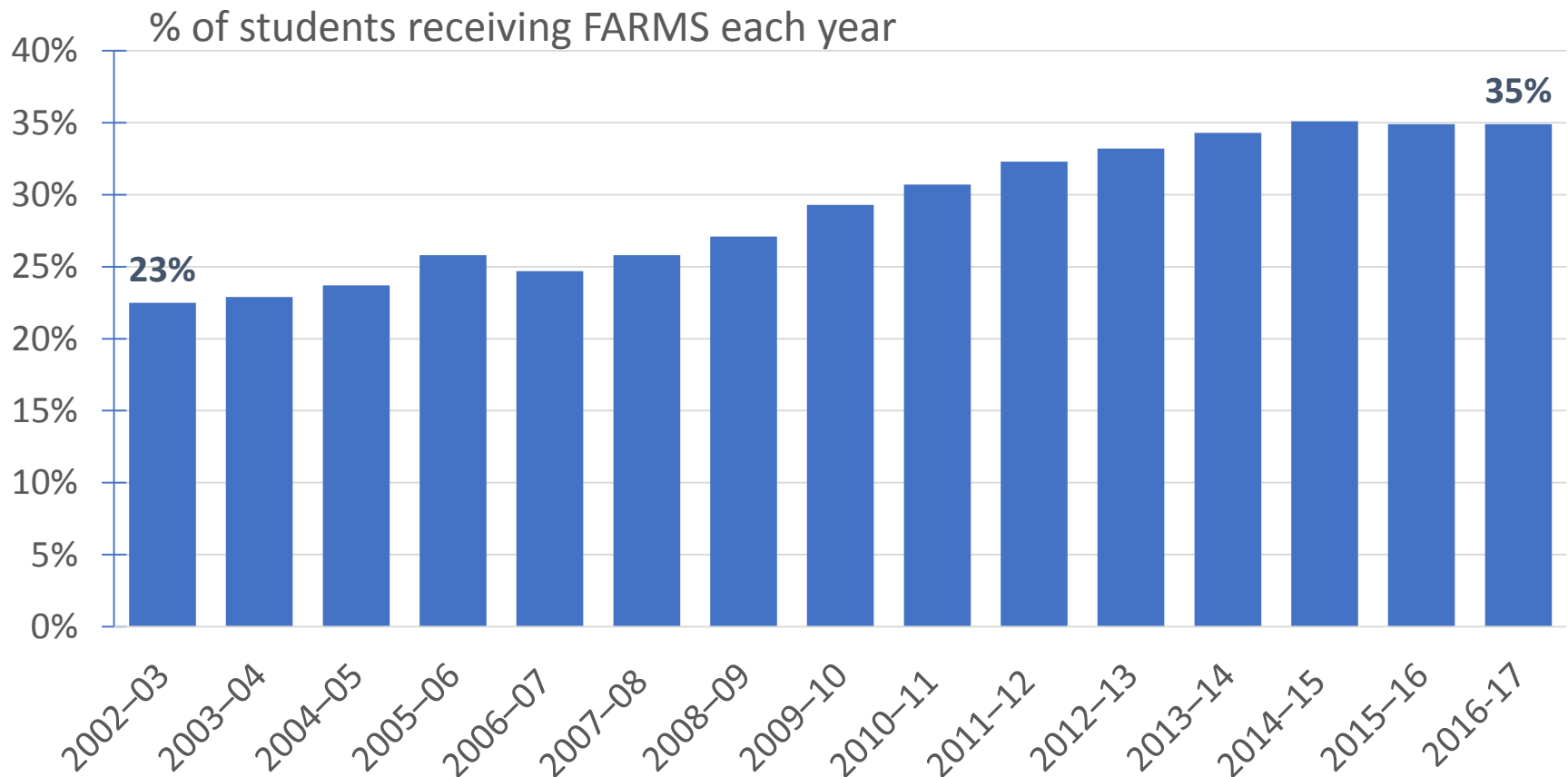


The percentage of school children living below the poverty level has increased since 2005 -



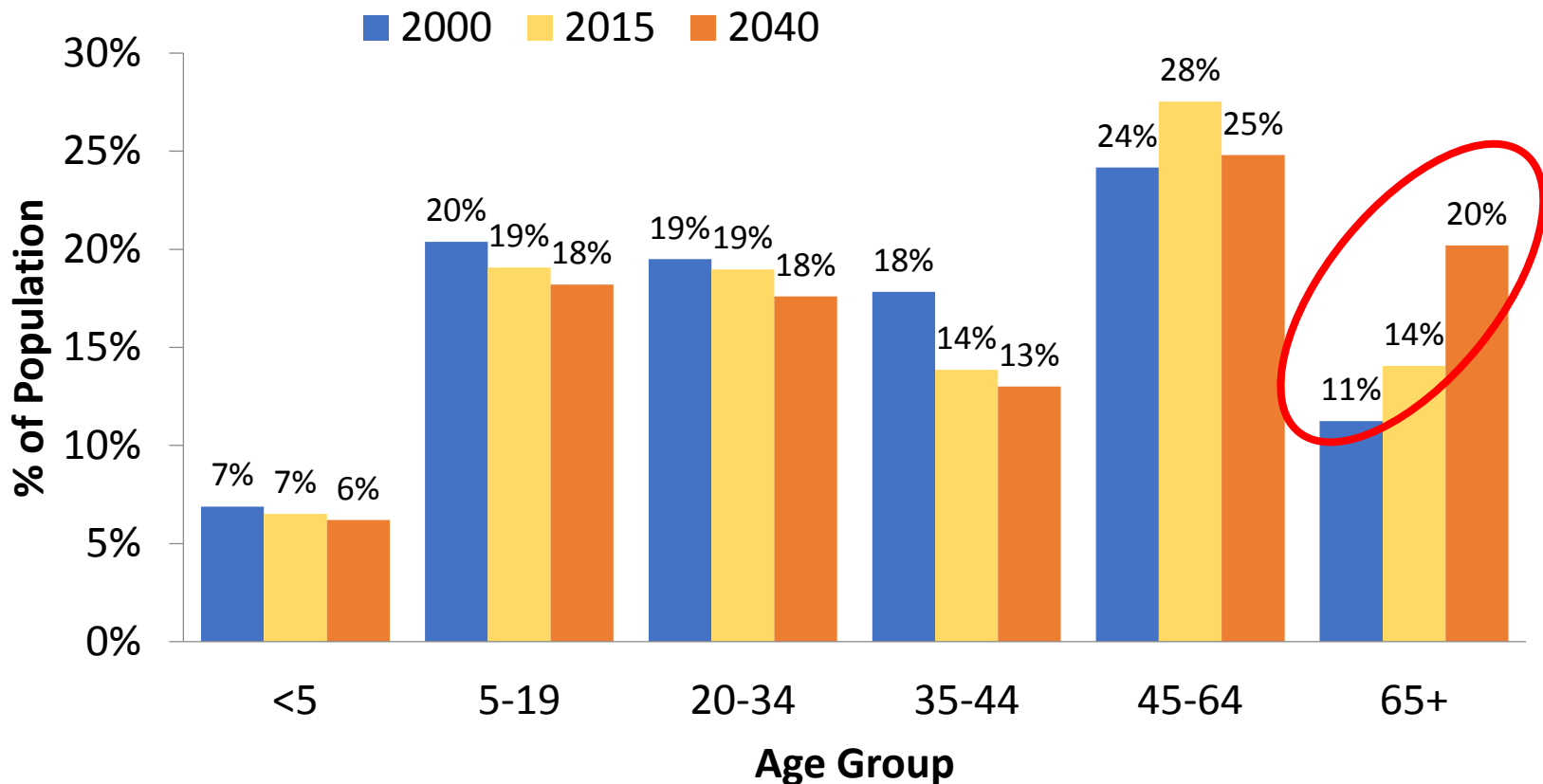
Source: 2005, 2010, and 1-year American Community Survey, 1-year estimates (Table B14006).

-and an increasing percentage of students receive free and reduced-price meals (FARMS).



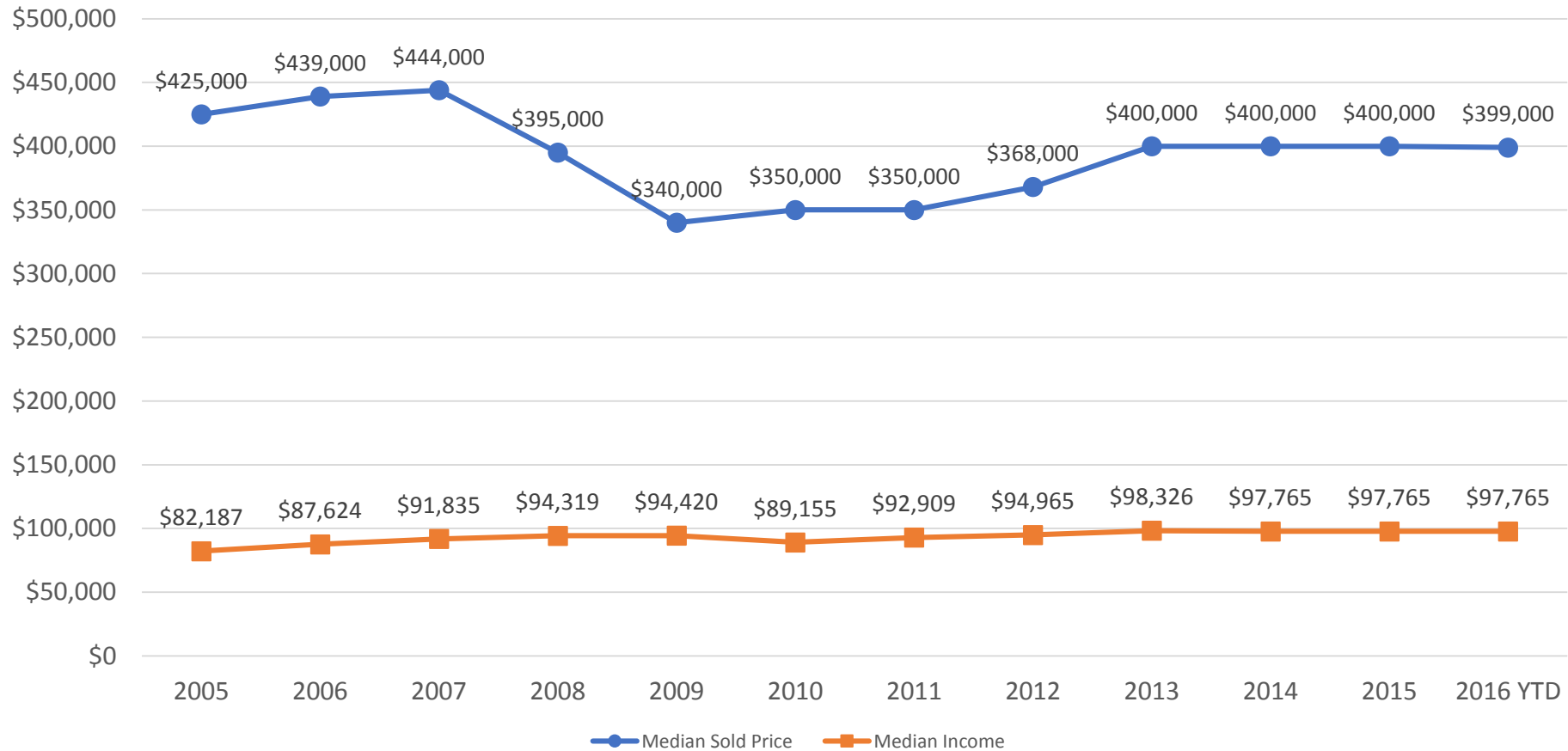
Source: Annual Summary Report, Montgomery County Public Schools

The only age group that will grow as a proportion of our population is 65+.



Source: U.S. Census, 2000 Decennial Census (April estimate); 2015 Annual July Estimate of Population; Maryland Department of Planning Age Forecast (Jan 2015).

For-sale housing prices are still down from their pre-recession peak -



Source: Census ACS 1-Year Surveys, MRIS, Numbers are constant
(ACS Income figures not yet available for 2015 and 2016, 2014 numbers used)

- but current prices are not at levels affordable to new households based on projected income.

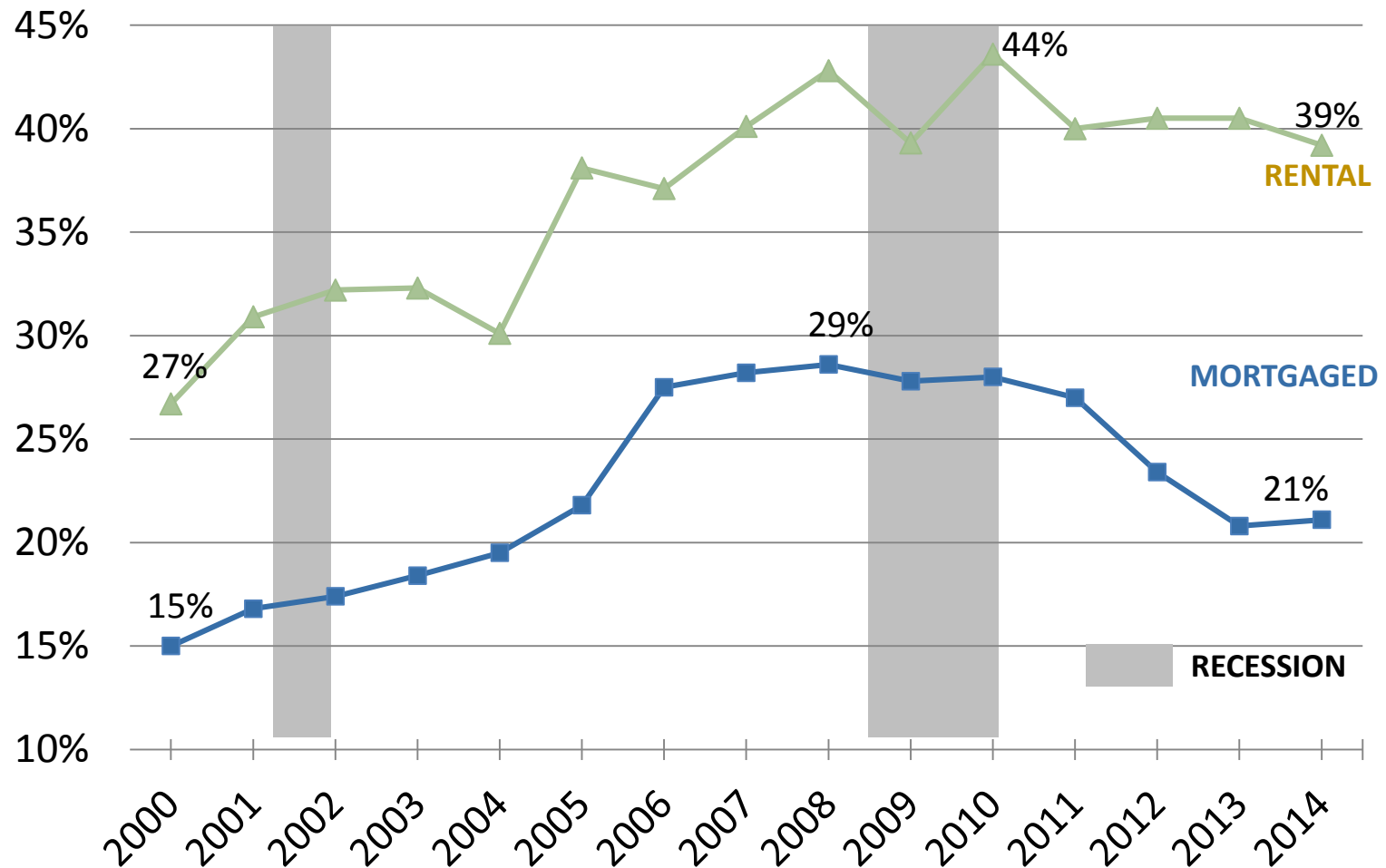


Note: assumes all workers housed in the jurisdiction in which they work

Source: 2015 Sales, MRIS; GMU Center for Regional Analysis

Combined with low supply, this is making housing unaffordable.

Percentage of Households Spending at least 35% on Housing Costs

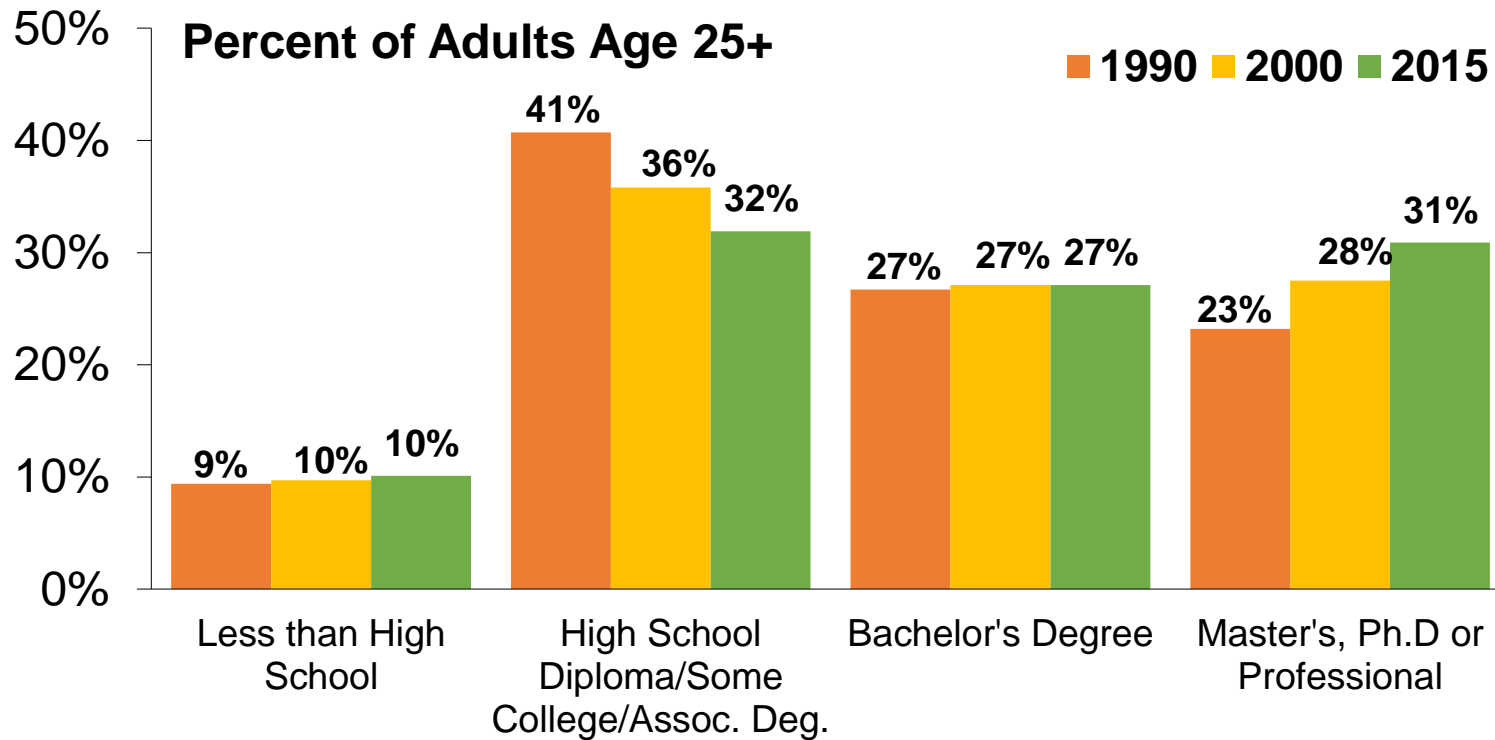


Source: 2000 U.S. Decennial Census, 2002-2014 American Community Survey

Human capital and education

Attracting an educated workforce and maintaining a strong tax base

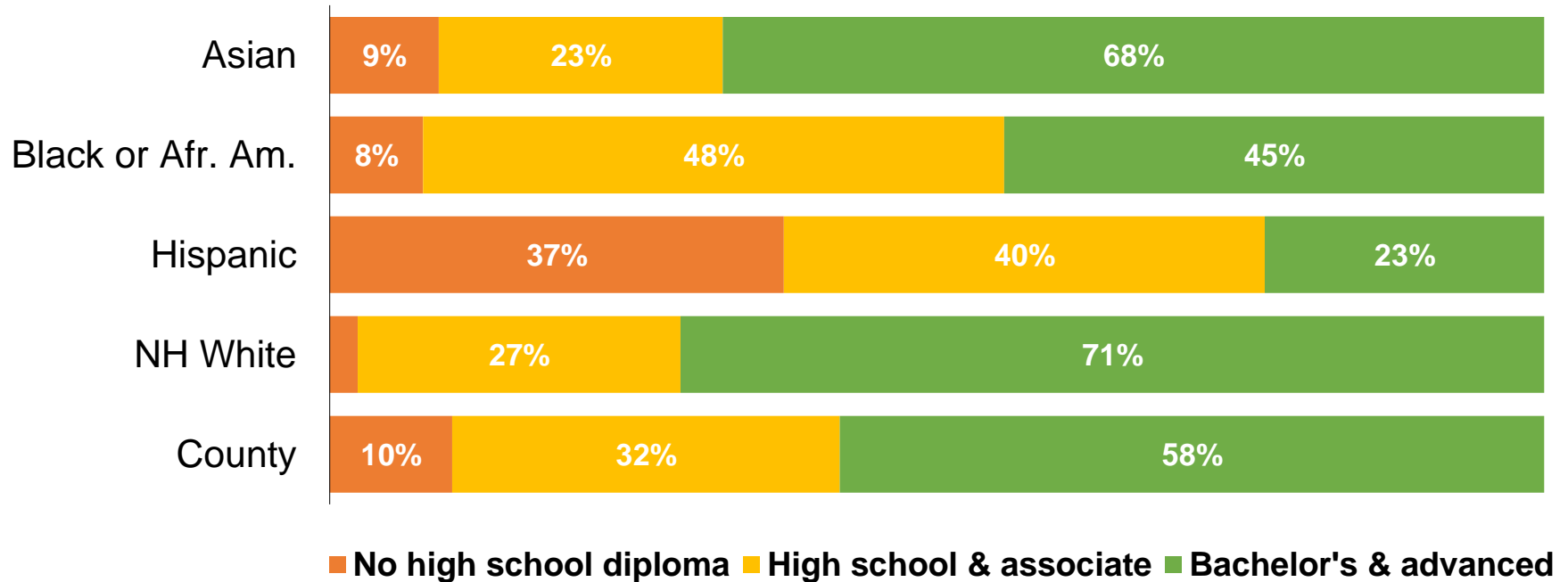
Education levels continue to rise –



Source: 1990-2000 U.S. Census, 2015 American Community Survey, 1 year estimate

- but vary widely by race and ethnicity in the County.

Percent of Population Age 25+

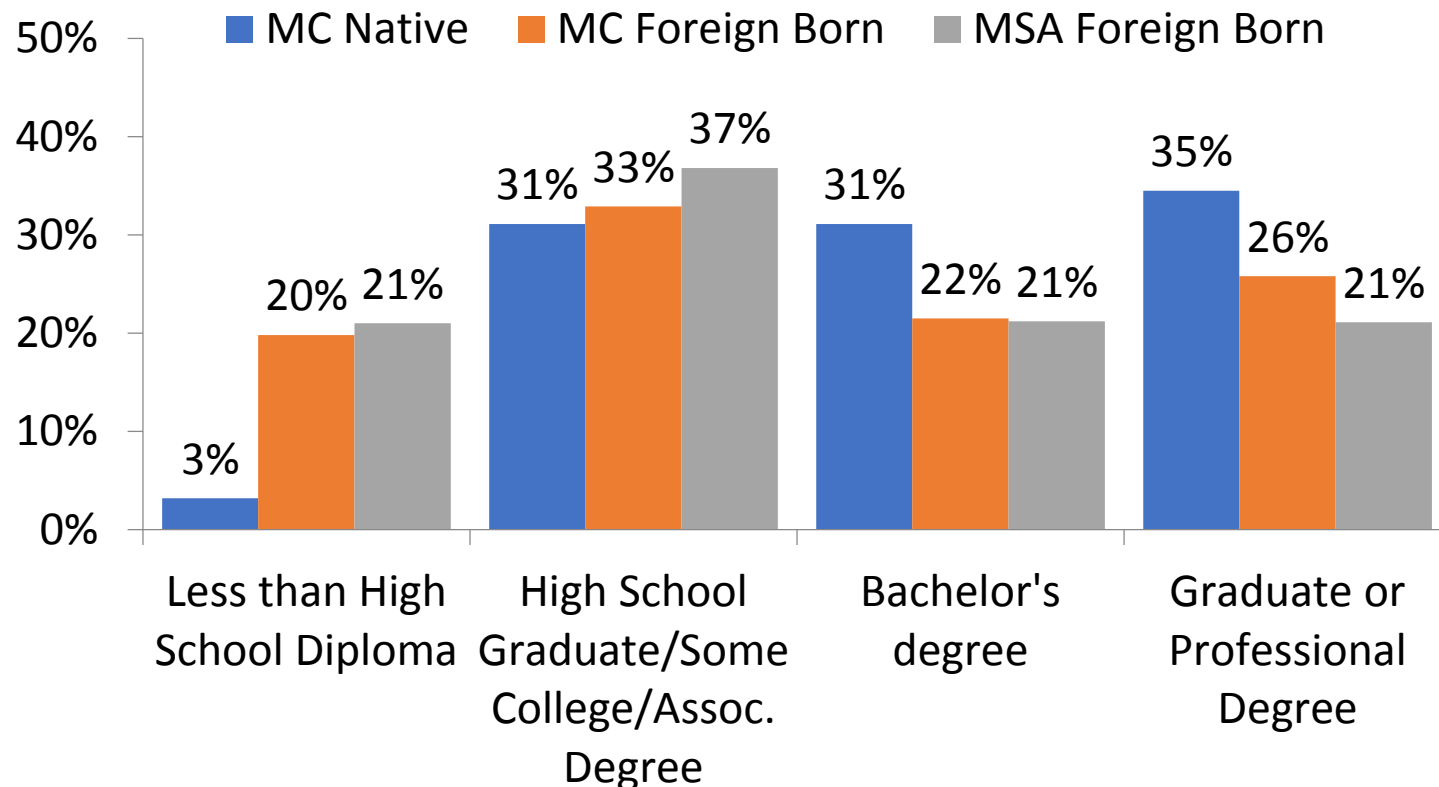


Source: U.S. Census Bureau, 2015 American Community Survey, 1-year estimate

Yet, almost half of foreign born residents have a bachelor's degree or higher.

EDUCATIONAL ATTAINMENT OF NATIVE AND FOREIGN BORN (2014)

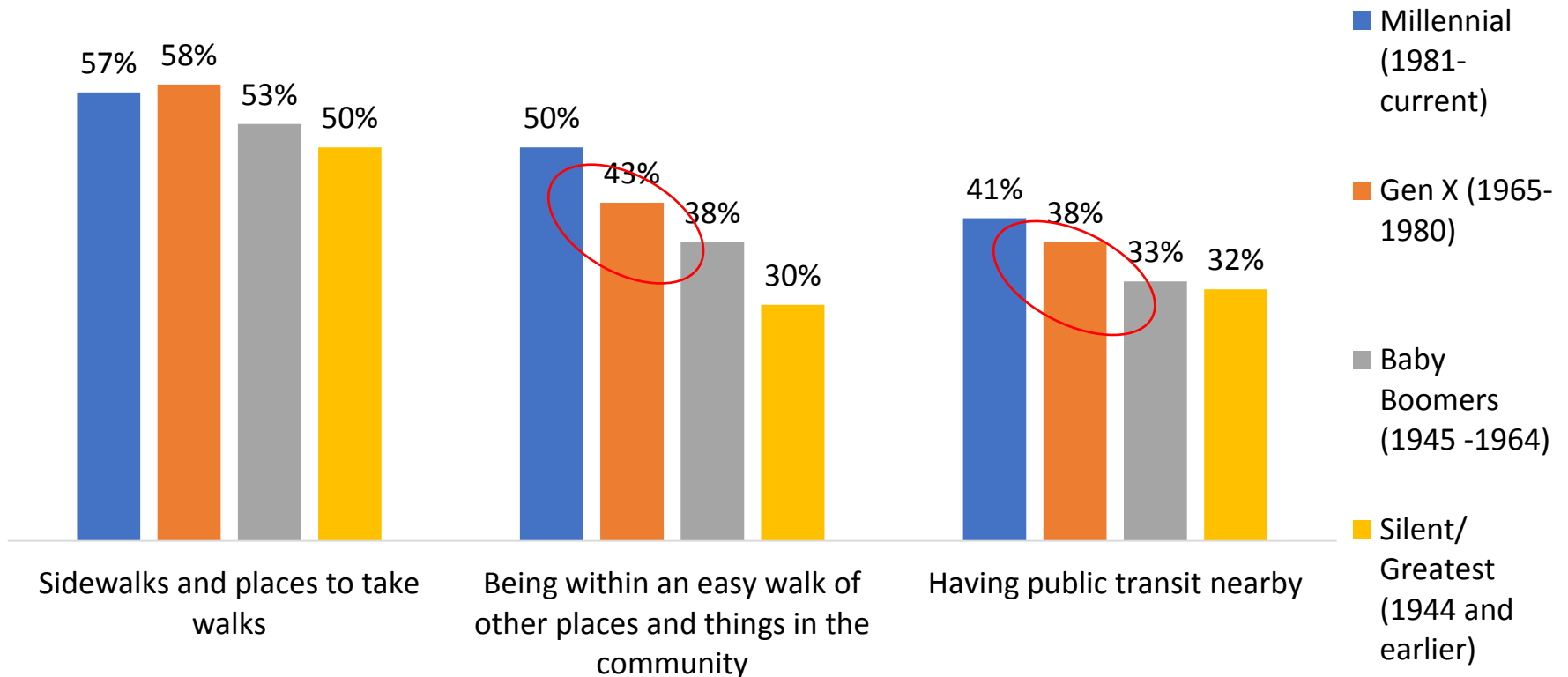
Percent of Adults Age 25 and Older



Source: U.S. Census, 2014 American Community Survey 1-year estimate.

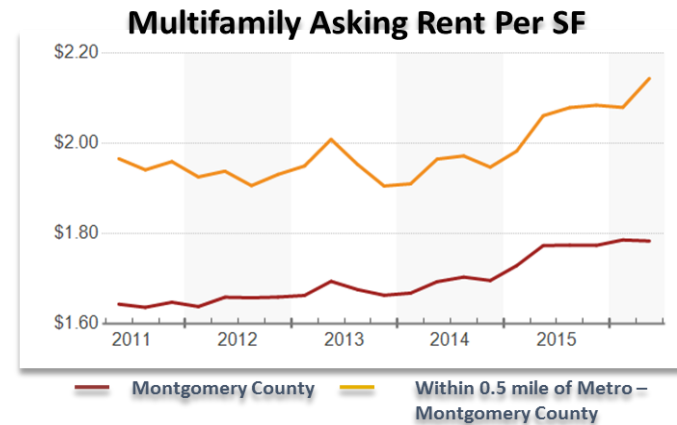
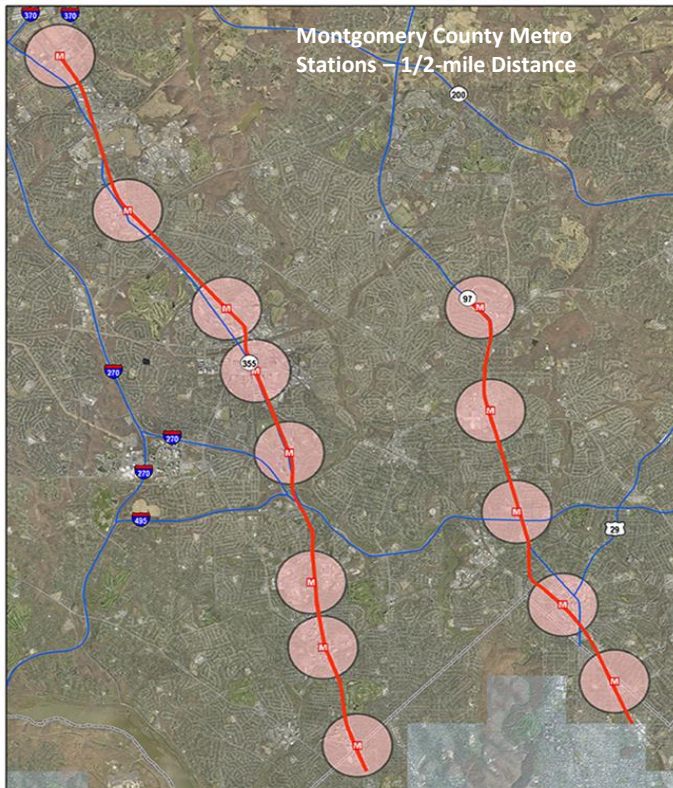
Living preferences are shifting towards walkable, transit rich neighborhoods -

2015 U.S. Living Preferences (% Noting as "Very Important")



Source: 2015 Community and Transportation Preferences Survey, National Association of Realtors

- so Metro-accessible multifamily out-performs the market.



% of County's Multifamily Housing built within Half-Mile of Metro Station



Source: CoStar Group, Inc. 2016, R&SP

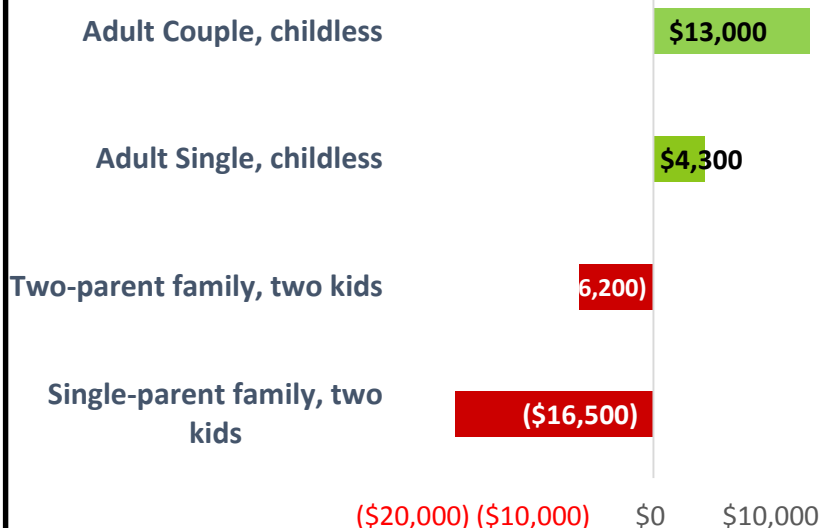
Millennials have a positive fiscal impact -

“Roadmap for Growth: A Vision for the City of Philadelphia, 2015-2020.” Greater Philadelphia Chamber of Commerce, 2014.

*“The large growth in the millennial population is widely considered to be a boost to Philadelphia’s economy. If employed, these young residents add to the city’s consuming class. They are spending a large portion of their disposable incomes patronizing restaurants, retail stores, and arts and cultural institutions. They pay city taxes – and as compared to aging adults – **make fewer demands on city services.**”*

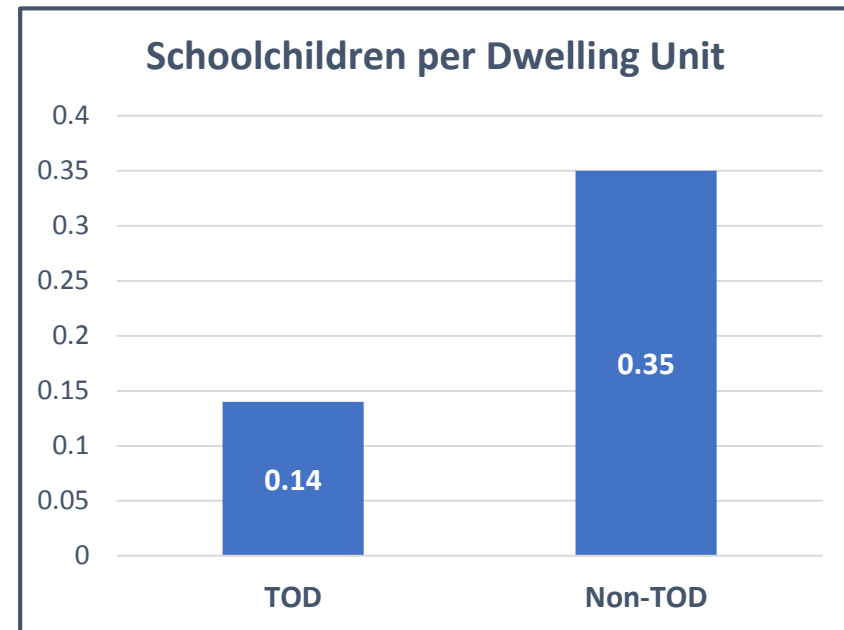
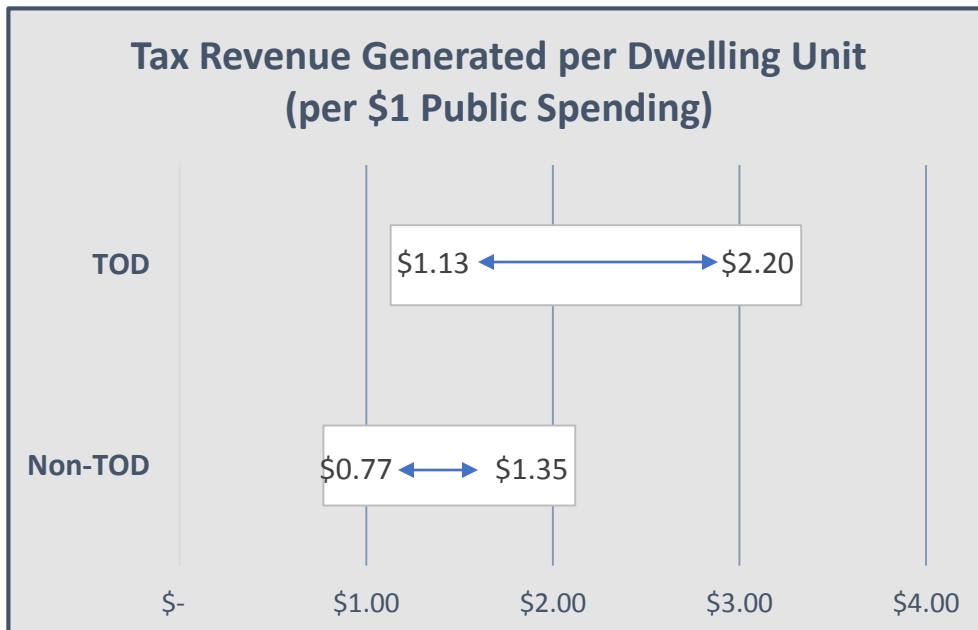
“Envisioning a Future Washington.” The Brookings Institution, 2001.

Net Fiscal Impact on Public Service Costs (District of Columbia, 2001)



Source: “Envisioning a Future Washington.” The Brookings Institution. 2001.25

- and TOD generates higher revenue & fewer schoolchildren.



Land use choices and constraints

Where and how can we grow?

Environmental Constraints - Composite

Hydrological:

- Wetland Buffers
- Streams

Erodible soils

Parks & Biodiversity areas

Agricultural Reserves

Special Protection Areas

Forest Conservation

Easements



Area Constrained = 248,000 Acres 77%

Man-Made Constraints - Composite

29

Utility Sites

- WSSC
- Transmission Lines

Transportation

Infrastructure

- Metro
- Rail
- State Roads
- Federal Highways

Government Ownership

Rustic Roads

Public Education

Historic Preservation

Exhausted TDR's

Rock Quarries

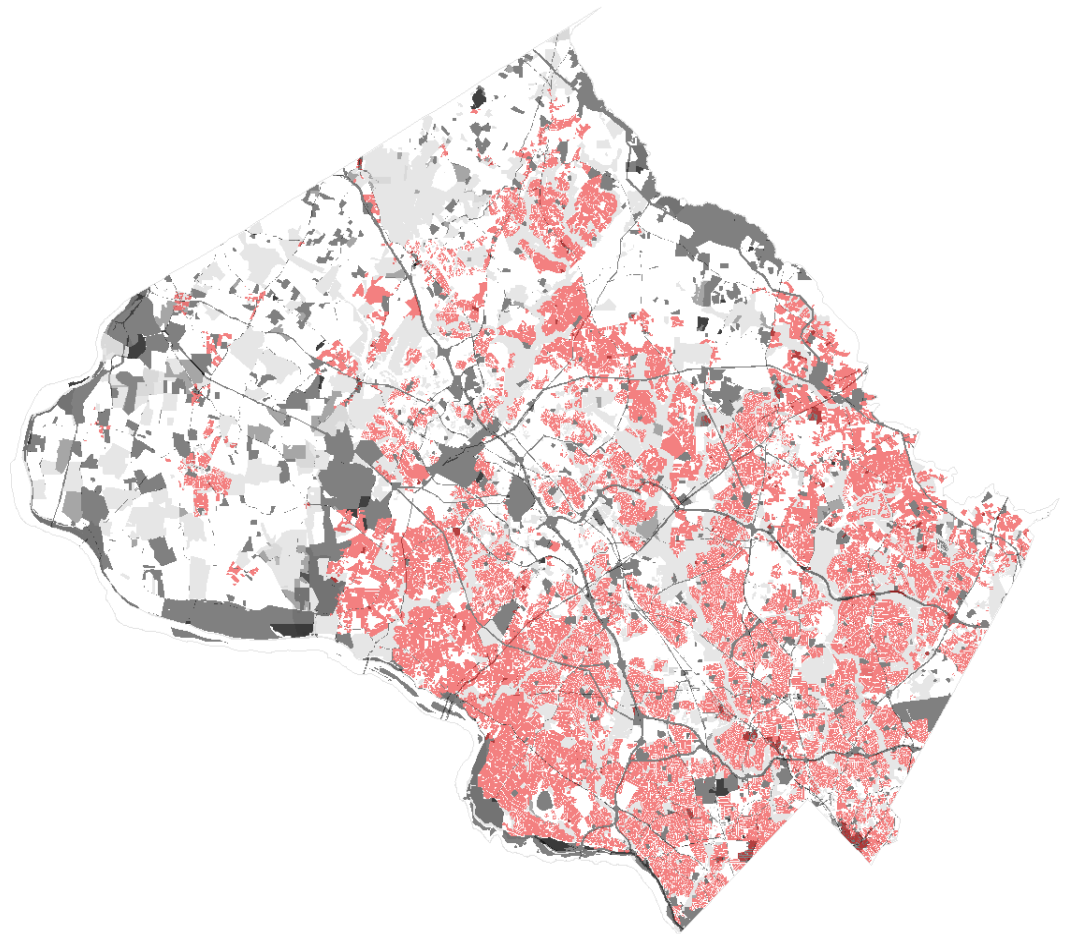
Regulated Affordable

Housing

Private Institutional

Common HOA Ownerships

Single Family Dwellings



Area Constrained = 201,000 Acres 62%

Environmental + Man-Made Constraints

Environmental

Hydrological

- Streams
- Wetland Buffers

Erodible soils

Parks & Biodiversity areas

Agricultural Reserves

Special Protection Areas

Forest Conservation Easements

Man-made

Utility Sites

- WSSC
- Transmission Lines

Transportation Infrastructure

- Metro
- Rail
- State Roads
- Federal Highways

Government Ownership

Rustic Roads

Historic Preservation

TDR Exhausted

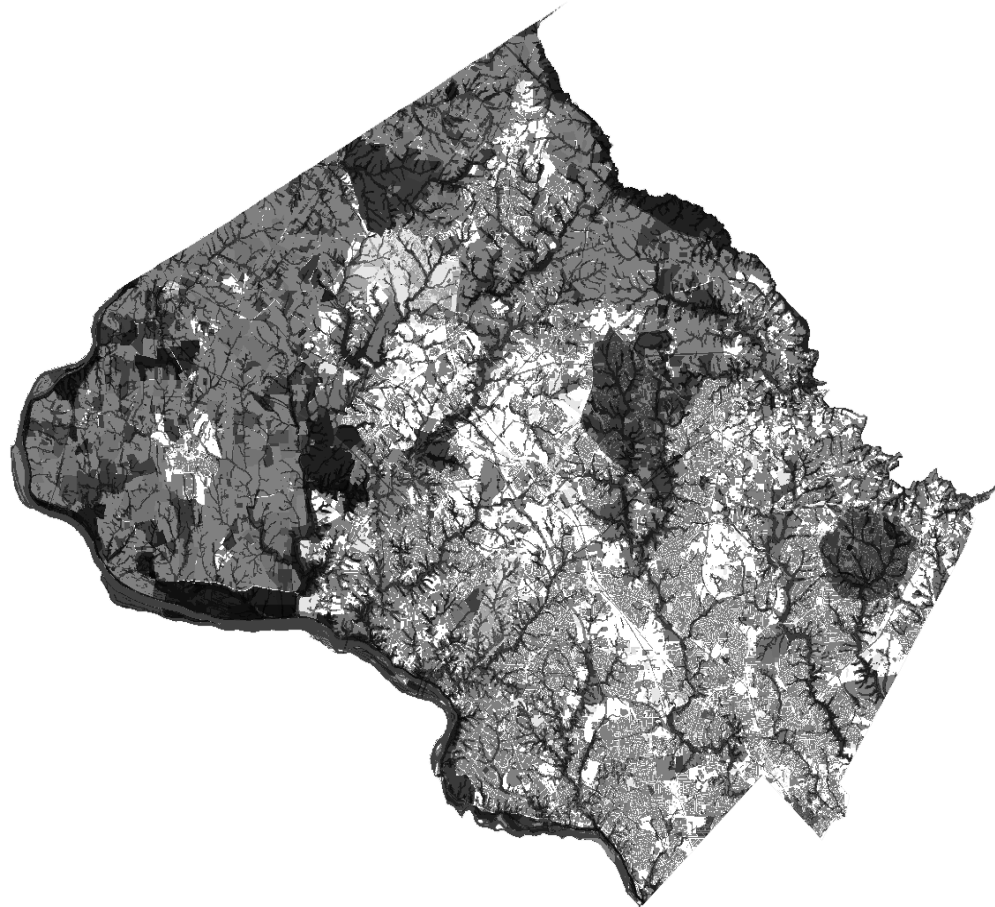
Rock Quarries

Regulated Affordable Housing,

Private Institutional

HOA Common Ownership

Single Family Dwellings



Area Constrained = 263,000 Acres 81%

Area **NOT** constrained = 61,000 Acres 19%

Environmental & Man-Made Constraints + Qualifiers

Environmental

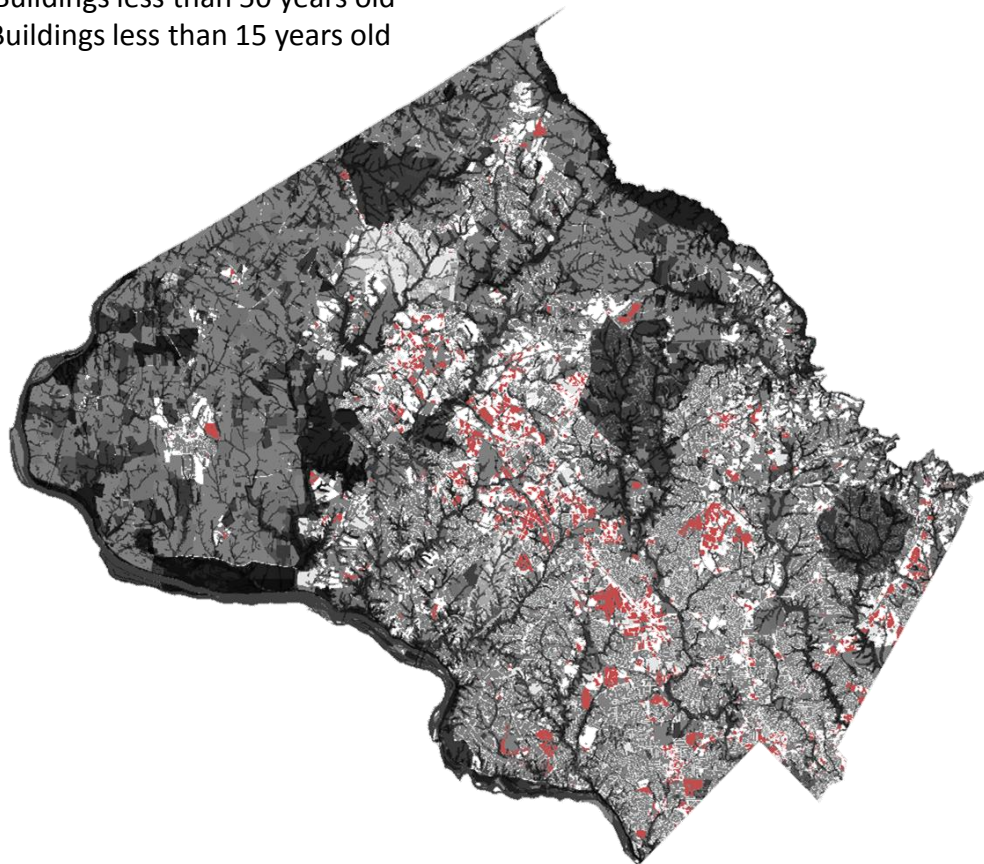
Hydrological
Streams
Wetland Buffers
Erodible soils
Parks & Biodiversity areas
Agricultural Reserves
Special Protection Areas
Forest Conservation Easements

Man-Made

Utility Sites
WSSC
Transmission Lines
Transportation
Infrastructure
Metro
State Roads
Federal Highways
Government Ownership
Rustic Roads & Public
Education
Historic Preservation
TDR Exhausted
Rockville Quarry
Regulated Affordable
Housing,
Private Institutional
HOA Common
Ownership
Single Family Dwellings

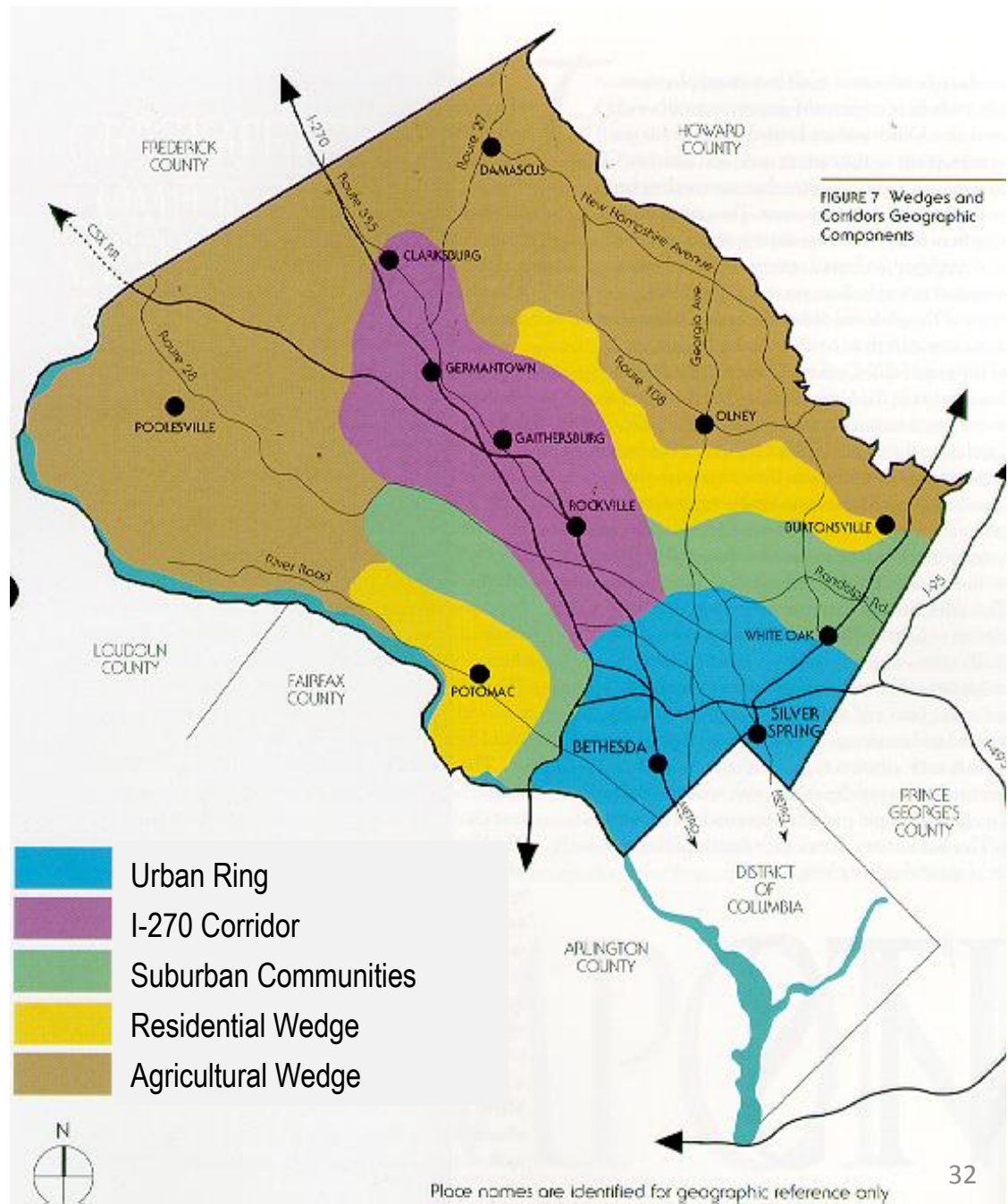
Qualifiers

- Multiple owners
- Improvement Value >2 times Land Value
- Office Buildings less than 50 years old
- Retail Buildings less than 15 years old



Area constrained = 276,000 Acres 85%
Area **NOT** constrained = 48,000 Acres 15%

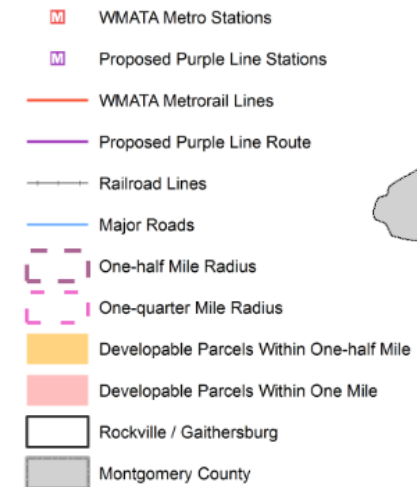
Montgomery County's 1964 General Plan: “...On Wedges and Corridors”



The available developable land near Metro is very limited -

For the 13 Metro Station Areas:

- Only 12% of land within one half mile radius available
- Only 6% within one quarter mile radius available



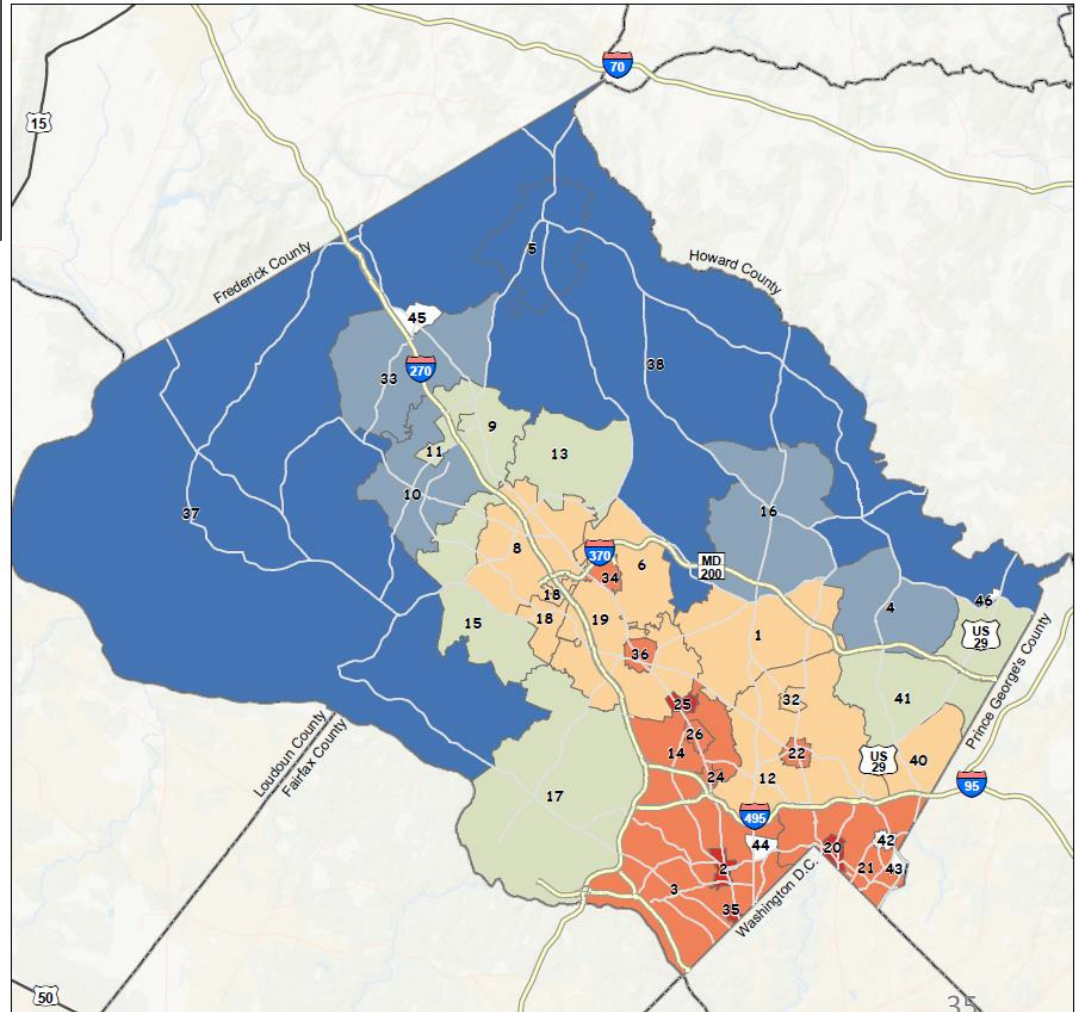
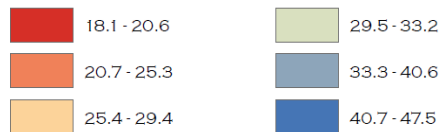
**- there are under 1000 developable acres
within ½ mile of Metro.**

Developable Acreage within One-half Mile and One-quarter Mile Radius of WMATA MetroRail Station						
Metro Station Name	One-half Mile Radius			One-quarter Mile Radius		
	Total Acreage	Developable Acreage	Percent Developable	Total Acreage	Developable Acreage	Percent Developable
Bethesda	503	83	16.5%	369	29	7.7%
Forest Glen	504	26	5.1%	344	7	2.2%
Friendship Heights*	264	51	19.5%	206	34	16.5%
Glenmont	503	84	16.7%	417	41	9.7%
Grosvenor-Strathmore	507	8	1.6%	420	-	0.0%
Medical Center	502	3	0.5%	434	-	0.0%
Rockville	495	66	13.2%	393	25	6.5%
Shady Grove	502	35	7.0%	489	23	4.7%
Silver Spring*	418	67	16.1%	332	19	5.6%
Takoma*	213	23	11.0%	173	5	3.0%
Twinbrook	474	88	18.5%	435	38	8.8%
Wheaton	503	83	16.5%	392	28	7.2%
White Flint	489	92	18.9%	391	31	8.0%
Total	5,878	710	12.1%	4,795	281	5.9%

* Metro stations that border Washington, DC. Parcel analysis is limited to parcels within Montgomery County only.

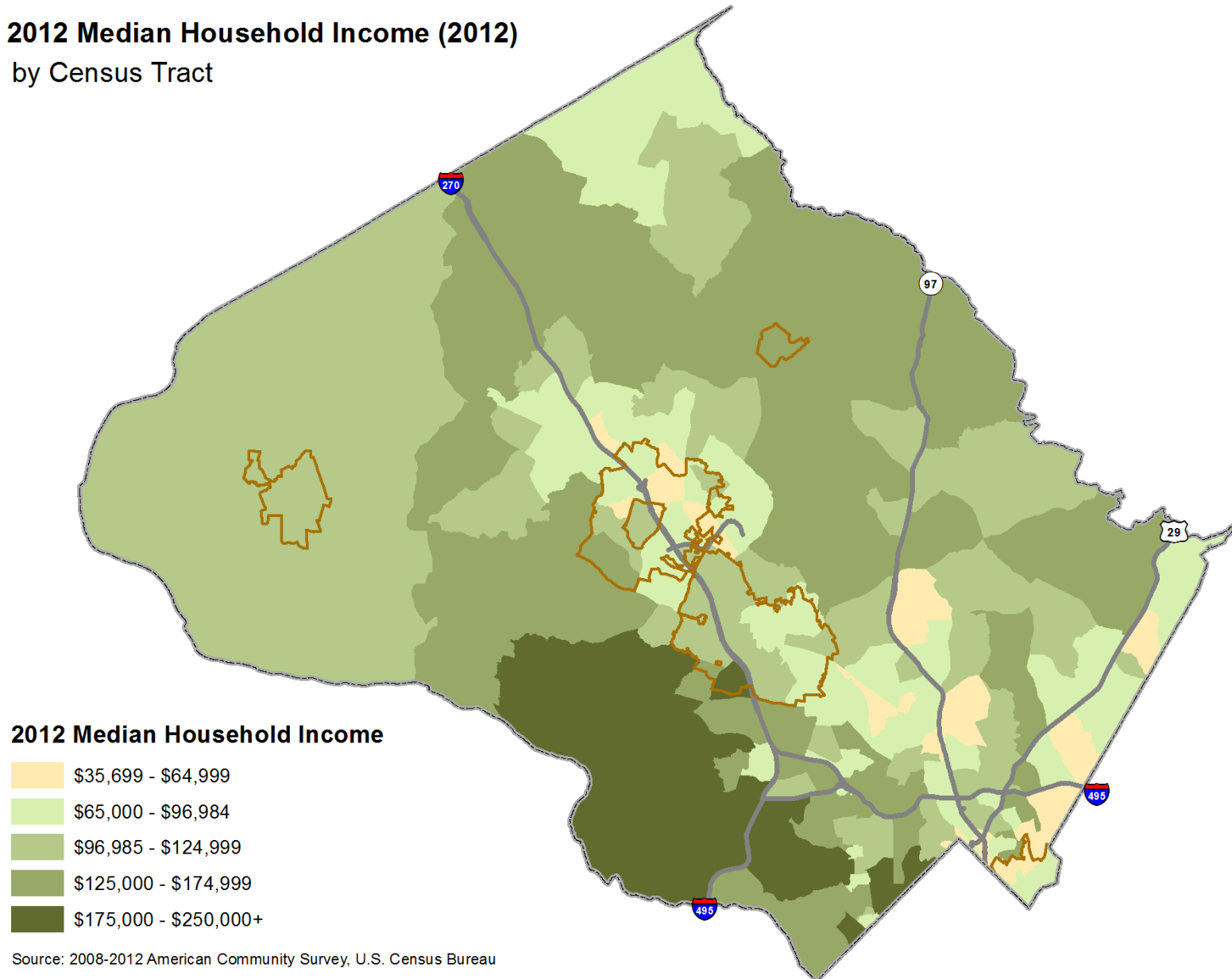
VMT is lower near transit, but varies depending on location in Montgomery County.

DAILY HOUSEHOLD VMT BY POLICY AREA



The County is segregated by income -

2012 Median Household Income (2012)
by Census Tract

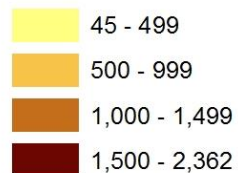


- and by education.

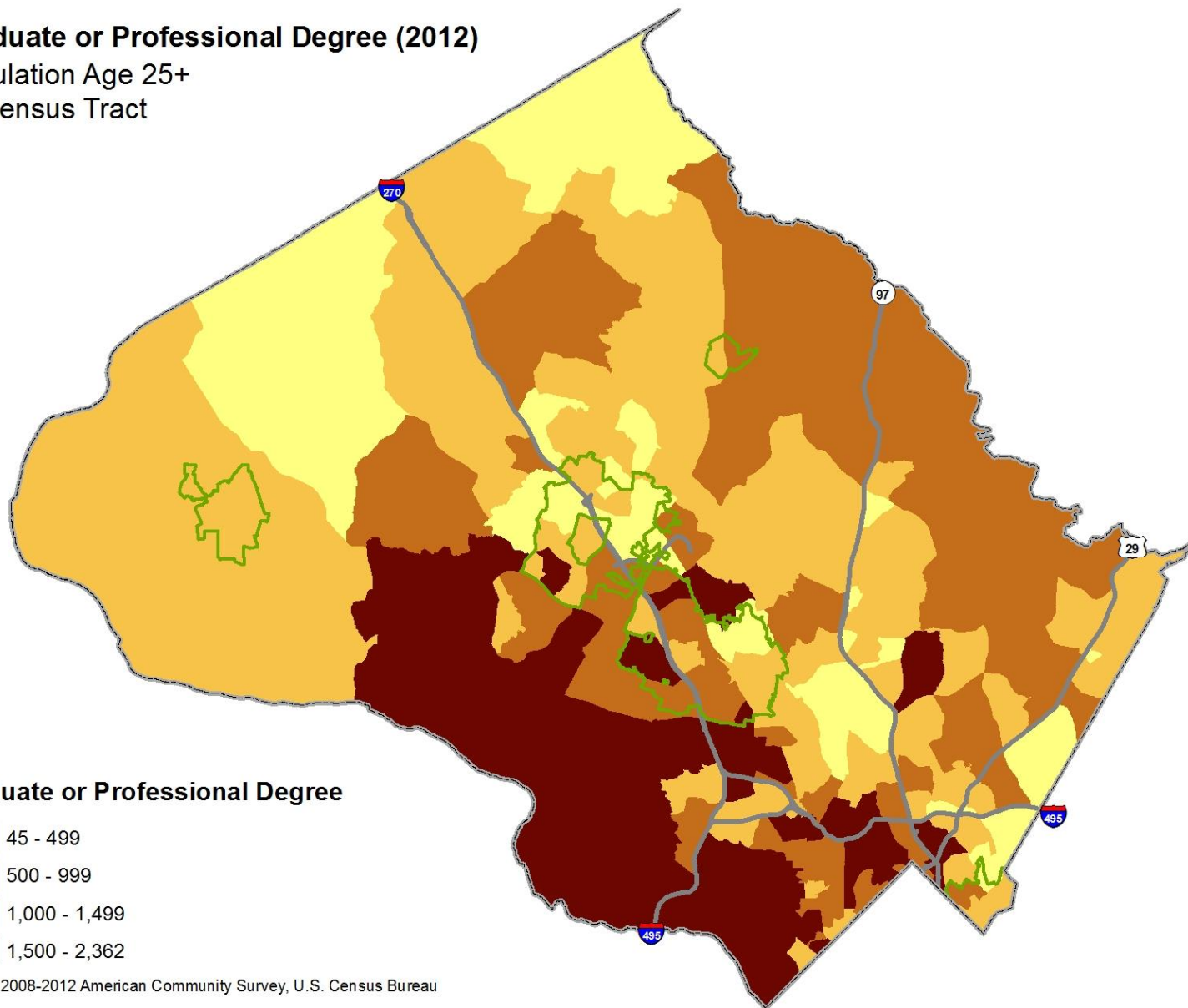
Graduate or Professional Degree (2012)

Population Age 25+
by Census Tract

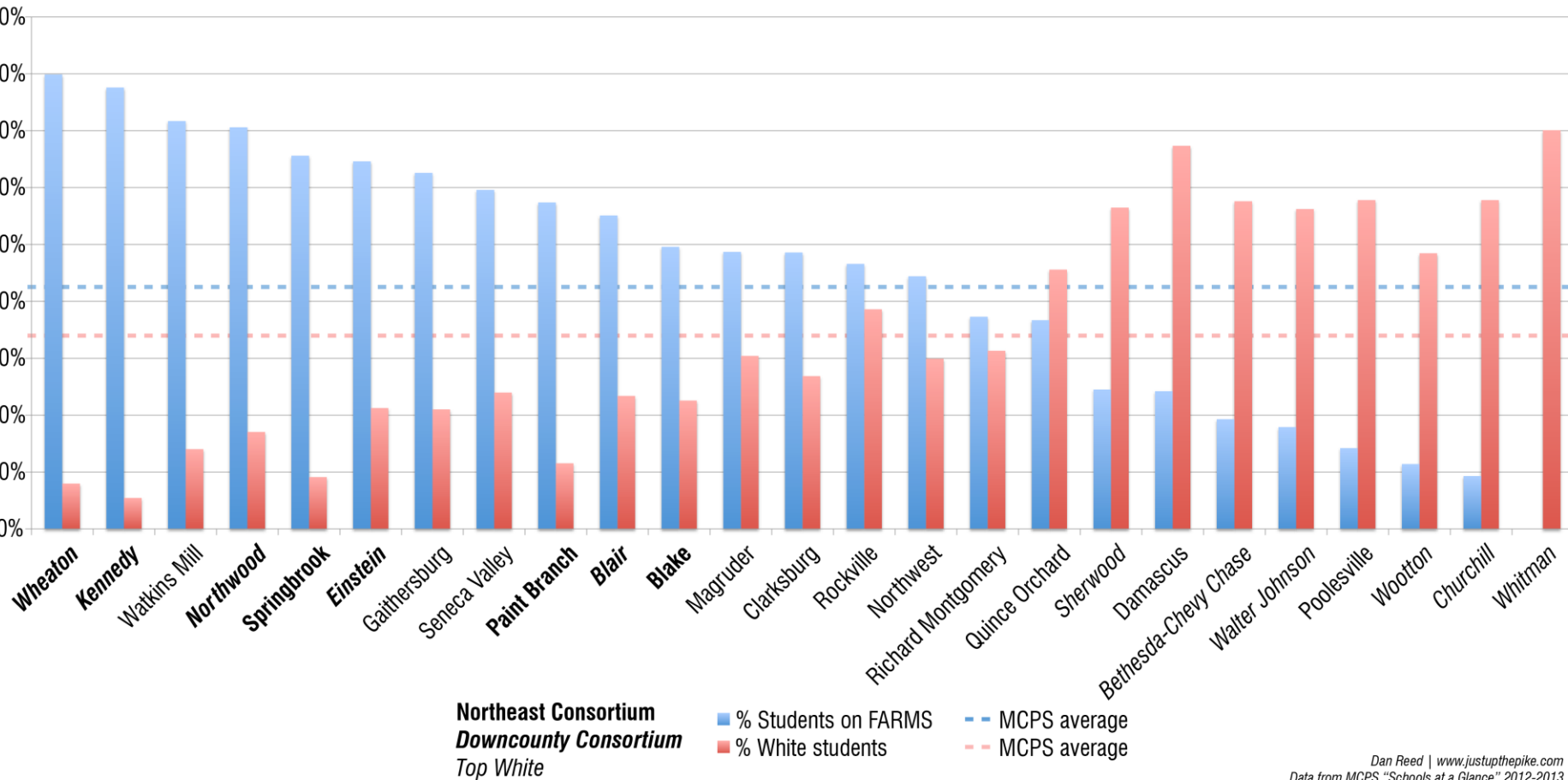
Graduate or Professional Degree



Source: 2008-2012 American Community Survey, U.S. Census Bureau

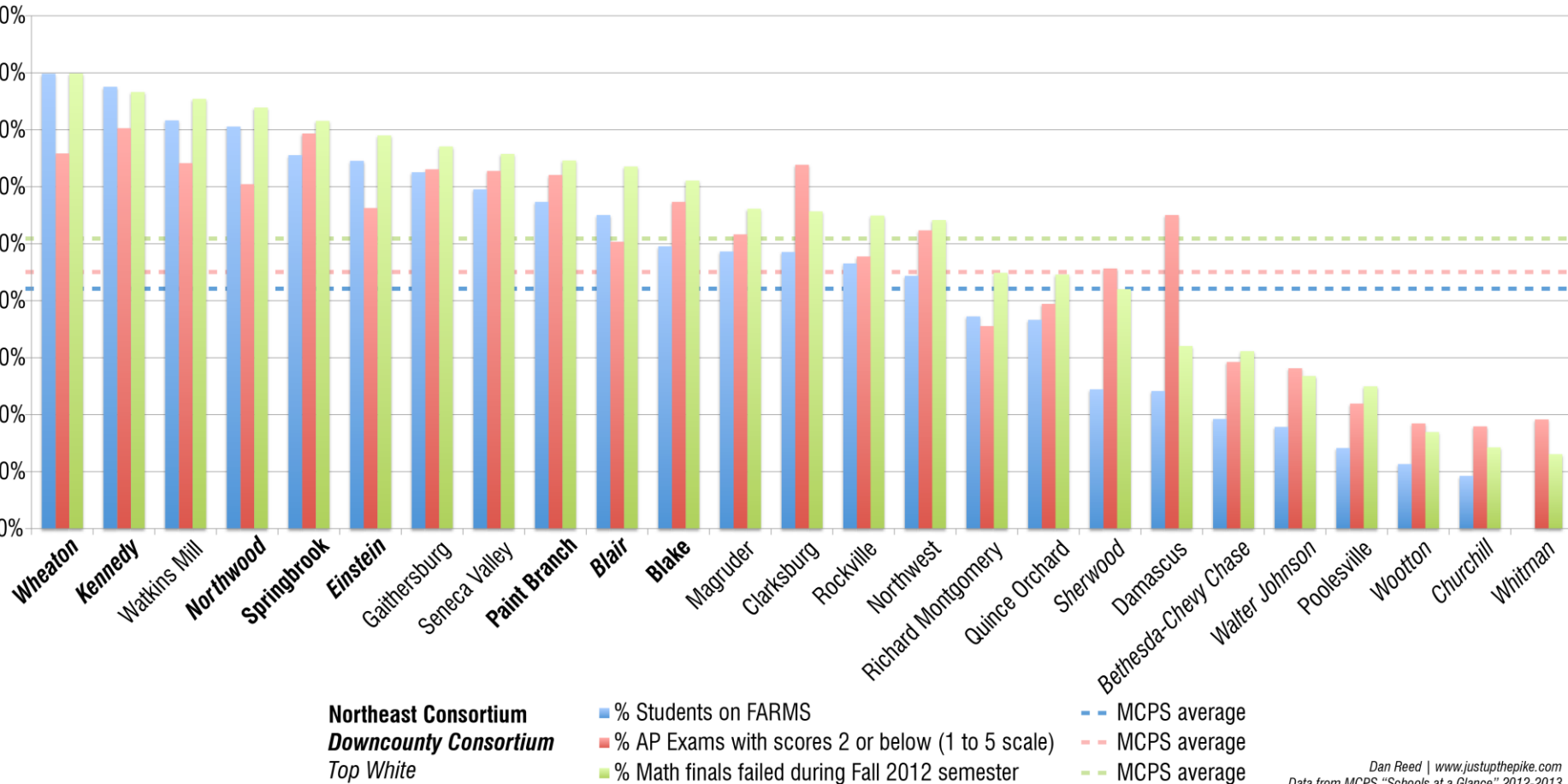


Socioeconomic + Racial Segregation in MCPS, 2012



Dan Reed | www.justupthepike.com
 Data from MCPS "Schools at a Glance" 2012-2013

Concentrations of Low-Income Students vs. Exam Failures in MCPS



Dan Reed | www.justupthepike.com
 Data from MCPS "Schools at a Glance" 2012-2013
 and MCPS final exam data